Doctoral Thesis

Re-Examining the Question of Legitimacy in the EUROPEAN UNION and in a Member State: The Case of GREECE

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submitted: 22 May 1996
viva voce: 13 September 1996

DECLARATION

The work in this thesis is the result of the candidate's own research except where otherwise indicated. It has not been accepted, nor is it being concurrently submitted in candidature for any other degree.

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ABSTRACT

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The concept of legitimacy is one that has been much discussed and analysed in the various disciplines of social science and it remains a highly contentious issue. The difficulty is not merely one of conceptual definition. Problems of legitimacy have also changed in our present era as political institutions increasingly transcend the national boundaries which once defined the field of the concept's application.

The present study proposes a way to re-examine the question of legitimacy. First, it offers a theoretical differentiation of the concept along five dimensions: those of civil society, democracy, the welfare state, the economic environment, and security and defence. Second, this theoretical argument is given practical substance in examination of the relation between institutions of the European Union and those of one of its member states, Greece. Although Greece is used as a testing ground for the framework, and inevitably will entail some features unique to it, it is argued that major aspects of the study are valid for other member states as well. By investigating both theoretical and empirical aspects of legitimacy, this study offers a more refined understanding of issues which are increasingly pressing as this century draws to a close.

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Acknowledgments

I began this study at a turning point in my life brought on by a personal tragedy, and many individuals have been instrumental in helping me initially begin this endeavor, and in the end, have aided me to see it to a close. The two individuals who have steered me along the way from the sociology department, my supervisors, Professor John Orr and Mr. John Holmwood deserve special thanks for reasons too numerous to mention. Several individuals along the way commented on earlier drafts and ideas, in the UK, the USA and Greece. I have very much appreciated the comments and advice in particular made by Lisa Dominguez, Arghyrios Fatouros, Nikiforos Diamandouros, Michalis Spourdalakis, and Adamantia Pollis. Dr. William McGrew and my colleagues at Anatolia: The American College of Higher Studies in Thessaloniki, Greece, graciously invited me to debut some of my work in its infancy at a colloquium where I received valuable comments and where different points were brought to my attention. I was fortunate to have been given assistance and access to official reports and records by the Greek Ministry of the National Economy, with the help of Mrs. Regina Minakaki, and was likewise aided in finding newspaper articles in the library of the Greek Parliament by a sympathetic employee.

I owe special thanks also to Peter Bien, editor of the *Journal of Modern Greek Studies* who saw fit to publish my essay in a timely fashion and to two anonymous reviewers for their comments on an earlier version of the essay which was published in the October 1995 issue of the journal.

Needless to say my mother, father and sister have supported me both financially and emotionally throughout my studies, and their love and belief in me has continued to be an important source of inspiration for much of my work. Many friends along the way have also supported me throughout my studies, particularly Susanne, Wendy and John who provided innumerable meals and alot of good company. But it is to Niko, my husband, that I owe much more than mere words can express and to whom I dedicate this work.

για το Νίκο μου

Chapter One

EXAMINING THE CONCEPT OF LEGITIMACY

1.1 Introduction

The study which follows seeks to address the concept of legitimacy and apply it to the European Union and to contemporary Greece. No study of a member nation-state can ignore today the EU, as the degree and depth of its competencies increases and thus the extent to which it affects the political, social and economic life of its members. The intention is that by exploring the dilemmas of legitimacy that the EU faces in the post-Maastricht, pre-1996 Intergovernmental Conference era, the explanation of the case of Greece can become more lucid. The central part of this study focuses on Greece, which is both an under-investigated and a particularly significant example, as will become apparent.

In any discussion concerning the question of legitimacy inevitably one encounters different interpretations and opinions as to what the concept means, how it is to be interpreted, as well as a multiplicity of other difficulties related to studying such a contentious issue. Selecting a starting point and adopting a particular position vis-à-vis the notion of legitimacy can, therefore, be quite perplexing. The theoretical foundation of this study is based on a re-examination of the concept of legitimacy along five dimensions: those of civil society, democracy, the welfare state, the economic environment, and security/defence. These will be explored in detail in this chapter. The scheme developed in this study enables one to investigate some of the components of the legitimacy question which allows for a more complete examination of the concept.

1.2 Dimensions of the Legitimacy Problem

A brief look at the social science literature concerning the question of legitimacy reveals the abundance of writings on and interpretations of this concept. The innumerable uses and meanings of the term reflect a dilemma of studying and defining such a concept. One can identify a subjective definition of the term legitimacy, for example, by reading the works of Jean Jacques Rousseau whose *legitimate* expression was perceived to be the expression of the *general will.*[1]

[1]Or the 'will of the majority.' *See*, Jean Jacques Rousseau, *The Social Contract* in *The Essential Rousseau*, Lowell Bair trans., (NY: New American Library) 1974.

Other seventeenth and eighteenth century writers such a Hobbes and Locke[2] saw legitimacy deriving from the idea that individuals join civil society and willingly put themselves under rules which they believe to be equitable and just. It was David Hume who espoused a benefit based theory of legitimacy, believing that political leaders would be perceived as legitimate "so long as they deliver the goods."[3]

Post-World War Two analyses of legitimacy have added to the multitudinous definitions already established. R. Dahrendorf has identified legitimacy as " ... a moral concept. It means that what governments do has to be right."[4] S.M. Lipset has outlined an evaluative definition of the term,[5] while F.D. Weil equates legitimacy with democracy, and thus a legitimacy crisis as a rejection of democracy.[6] Leonardo Morlino and José R. Montero define legitimacy in their study as "... a set of positive attitudes of a society towards its democratic institutions, which are considered as the most appropriate form of government."[7]

No twentieth century analysis of legitimacy, however, can ignore the work of Max Weber whose analysis of legitimacy draws on 'three pure types of legitimate domination' -- traditional, charismatic, and legal/rational rule.[8] These ideas articulated by Weber have continued to act as a springboard for further examination of the question of legitimacy. In fact Weber managed to combine in his analysis of legitimacy key concepts such as power, authority, and relate these to the state. He was able to further the secularised definition of legitimacy begun during the Enlightenment and carry it into the beginning of the twentieth century.

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[2]From whom the 'consent' based theory of legitimacy is derived, i.e., the notion of a social contract.

[3]*See*, Albert Weale, "The Single Market, European Integration and Political Legitimacy," Unpublished theme paper prepared for ESRC/A7 Cost Action Conference, University of Exeter, 8-11 Sept. 1994.

[4]Ralf Dahrendorf, "Effectiveness and Legitimacy: On the 'Governability' of Democracies," *Political Quarterly*, Vol. 51, No. 4, 1980, p. 396.

[5]"Legitimacy involves the capacity of the system to engender and maintain the belief that the existing political institutions are the most appropriate ones for the society." S.M. Lipset, *Political Man: The Social Bases of Politics*, reprinted in *Legitimacy and the State*, W. Connolly, ed. (UK: Basil Blackwell Pubs.) 1984, p. 88.

[6]Frederick D. Weil, "The Sources and Structure of Legitimation in Western Democracies: A Consolidated Model Tested with Time-Series Data in Six Countries Since World War II," *American Sociological Review*, Vol. 54, Oct. 1989, p. 685.

[7]Leonardo Morlino and José R. Montero, "Legitimacy and Democracy in Southern Europe," In *The Politics of Democratic Consolidation*, Richard Gunther, P. Nikiforos Diamandouros and Hans-Jürgen Puhle, eds. (Baltimore and London: The John Hopkins University Press), 1995, p. 232.

[8]*See*, Max Weber, *Economy and Society*, Vol. 1, Ch. III, Guenther Roth & Claus Wittich eds. (LA, California: University of California Press) 1978.

Weber was convinced that legitimacy could be maintained based on formal, legal procedures, as well as "the right of those elevated to authority under such rules to issue commands (legal authority)."[9] Rationalisation,[10] bureaucracy, and the further development of capitalism for Weber, were becoming the decisive forces in the organisation of modern society and its administration. He strongly believed that rationalisation was a far better premise on which to organise society when compared to traditional forms. He favoured a parliamentary system which could elect 'professional parliamentary deputies' who could conduct the business of politics in a fair and objective manner. However, Weber himself admitted that "[p]arliamentarization and democratization are not necessarily interdependent, but often opposed to one another."[11]

In the present post-cold war and post-Treaty on European Union era of European integration, the political climate in Europe and the nature of relations among political actors and institutions have changed spectacularly since Weber's time. No one would argue against the notion that the bureaucratic apparatus in west European nation-states continues to be of utmost importance in the organisation of administrative operations and in some cases (as will be shown with the example of Greece) continues to expand. But the expansion of the bureaucracy has also been accompanied by a concomitant recognition found among national political leaders that technocratic 'expertise' cannot *alone* create legitimacy for public policy. It has been generally recognised by both those directly involved with the EU integrative process and observers of it, for example, that EU governance can no longer be legitimised based solely on the logical, rational characteristics of technocracy, particularly as Weber once perceived them.

The point here, however, is to acknowledge that albeit writing in a different era and under quite different circumstances, Weber's examination of the sources of legitimacy, particularly the latter of the three, legal rule, can be utilised as a starting point for further inquiry into the characteristics presently associated with legitimacy both on an EU level and on the level of member states. As Weber clearly pointed out himself, his 'three types' are by no means an end in themselves, and were merely intended to act as theoretical constructs.

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[9] *Ibid.*, p. 263.
[10] Referring here to Max Weber's legal-rational model.
[11] Max Weber, *Economy and Society*, *op. cit.*, Vol. III, p. 1442.

Keeping within a framework of *rational* discourse then, is it possible to move beyond Weber's three ideal constructs and establish which dimensions of legitimacy are presently associated with EU member states entering the twenty-first century? Such an attempt will be made here, where an outline for a theoretical framework facilitating an examination of legitimacy will be supplied.

In Joseph Weiler's piece concerned with the problems of legitimacy in the EC/EU, he sets out to explain the difference between democracy, formal legitimacy, and social legitimacy. He demarcates a formal (legal) as opposed to a social (empirical) aspect of legitimacy which best suits a discussion of legitimacy as it relates to EU member states in this study. He writes:

> Formal legitimacy as regards institutions or systems connotes that, in the creation of the institution or system, all requirements of the law are observed. ... Social legitimacy connotes a broad societal acceptance (empirically determined) of the system.[12]

He goes on to note that "[a]n institution or system or polity, in most (but not all) cases, have to enjoy formal legitimacy in order to enjoy social legitimacy. ... But a system that enjoys formal legitimacy will not necessarily enjoy social legitimacy."[13] This differentiation of legitimacy that Weiler sets out assists one in dissecting the concept of legitimacy and will be adopted for the purpose of discussion in this study. The intent will be to identify at least two major currents within the concept of legitimacy -- a political and a social. In other words, there seems to be a political component which can be said to be associated with the features of a political system (Does it operate according to written rules? Are these rules democratic? Is there a separation of powers?) as well as a social component, which includes those aspects of the concept of legitimacy which are subjective (and thus more difficult to enumerate) and which certainly are socially, historically, and culturally procured. Some of these social influences may include cultural (indigenous) characteristics of a population based on historical experiences, for instance, that can affect perceptions of legitimacy. What will be attempted in this study, for example, is an investigation as to which historical experiences (as well as which socio-cultural and political characteristics) affect how Greeks perceive what is legitimate. Both the political and social elements of the legitimacy equation thus need to be examined for a comprehensive picture of the concept to emerge. Although the case of Greece is

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[12]Joseph Weiler, "After Maastricht: Community Legitimacy in Post-1992 Europe," In *Singular Europe*, William James Adam, ed., (Ann Arbor, Michigan: The University of Michigan Press) 1992, p. 19.

[13]*Ibid.*, p. 20.

taken as the focal point in this study, it seems possible to presume that this type of investigation into legitimacy could also be performed for other EU member states as well thus allowing for comparisons to be made.[14]

In order to synthesise what seems to me to be important aspects of these different approaches to legitimacy, I propose distinguishing five different dimensions of legitimacy to better understand their different dynamics and the complexities in their interrelationships. These dimensions are: civil society, democracy, the welfare state, the economic environment, and issues of security and defence (see below Table 1.1: Dimensions of the Legitimacy Problem Applied on a National Level).

Dimensions of the Legitimacy Problem	**National Level (EU Member State)**
(a) Civil Society	Developed (exceptions: Greece, Portugal, southern Italy)
(b) "Democracy"	The question of political accountability ('formal' legitimacy); social and cultural influences that affect how citizens view their political system
(c) Welfare State	Unable to handle increasing demands; but only a minority of national public is willing to see health & social welfare policies addressed jointly with the EU
(d) Economic Environment	Difficulties in sustaining economic growth and prosperity; meeting the criteria for EU monetary convergence; unemployment; competing in a global economic environment, etc.
(e) Security and Defence	A national defence policy still considered integral; Common Defence & Foreign Policy supported to a degree, but allowance for unilateral action remains indisputable

Table 1.1 Dimensions of the Legitimacy Problem Applied on a National Level

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[14]It may be the case likewise that considering the social as well as the political aspects of legitimacy can prove particularly useful for understanding Eastern and Central European nation-states that are hoping to be included in the next EU enlargement.

1.2.1 CIVIL SOCIETY

One of the immediately identifiable components associated with the question of legitimacy today is that of civil society. Renewed discussions concerning the nature of civil society came on to the agenda particularly in the late 1980's, partially due to the events that were transpiring in Eastern and Central Europe following the demise of the Soviet Union, and partially owing to the further integration and expansion plans of the European Community in western Europe. The transformations occurring in nation-states in southeast Asia and the Pacific also added to the established momentum of exploring the idea of civil society in countries which had hitherto not entertained thoughts of the role of a civil spirit in their societies. Hence changing socio-economic and political environments on continental Europe and to a lesser degree in the Far East touched off a series of debates about the role of civil society and its place within a world in flux.

Despite the consensus as to the importance of re-examining the concept of civil society, what came out of the renewed examinations in the 1980's was that there remained vast differences of opinion as to the best method of analysis as well as to the fundamental questions being asked. As is the case with the term legitimacy, the expression 'civil society' has been used in a variety of disparate ways to describe society as it has developed in the modern world. Michael Walzer writes that "[t]he words 'civil society' name the space of uncoerced human association and also the set of relational networks -- formed for the sake of family, faith, interest and ideology -- that fill this space."[15] J.L. Cohen and A. Arato define civil society "... as a sphere of social interaction between economy and state, composed above all of the intimate sphere (especially the family), the sphere of associations (especially voluntary associations), social movements, and forms of public communication."[16] Others have maintained that civil society is many things and thus difficult to define succinctly: "... Civil Society is that set of diverse non-governmental institutions which is strong enough to counterbalance the state and, while not preventing the state from fulfilling its role of keeper of the peace and arbitrator between major interests, can nevertheless prevent it from dominating and atomizing the rest of society."[17]

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[15]Michael Walzer, "The Civil Society Argument," In *Dimensions of Radical Democracy*, Chantal Mouffe, ed. (London: Verso) 1992, p. 89.

[16]Jean L. Cohen and Andrew Arato, *Civil Society and Political Theory*, (Cambridge, Mass: The MIT Press) 1992, p. ix.

[17]Ernest Gellner, *Conditions of Liberty: Civil Society and Its Rivals*, (NY: Penguin) 1994, p. 5. However, Gellner further goes on to note that although the definition which he has produced does

Moreover, debates and discussions that animate analyses of civil society continue in variegated directions. The state-civil society debate continues,[18] as have disputes concerning the public versus the private spheres. The ethical, moral interpretation is still on the academic horizon as well.[19] A medley of views as to how to define and study civil society abound, and depending upon ones' political perspective -- either to the left or right -- delineations are made, which when compared, are quite disparate.[20]

Nevertheless, on closer examination one can observe that there are certain features found within west European societies which appear to be important in comprehending civil society as well as legitimacy. For example, one can detect that in northwestern members of the EU there is a more developed, sophisticated, and mature social environment which allows for the expression of citizens' interests through the formation of interest groups, associations, and voluntary organisations. That is not the case in civil societies of southern Europe (particularly southern Italy and Greece), where one does not witness the same degree of maturation within their structural and institutional frameworks. As will be revealed in Part II of this study which focuses on the case of Greece, southern EU member states have not experienced the same historical or structural evolution of societal institutions as those of the north. This has resulted in a difference in the type of civic environment that has evolved in these nation-states which has affected: (a) the avenues by which political participation occurs; (b) the degree of cynicism felt by citizens towards their indigenous political decision-making processes, and thus their satisfaction with how democracy operates in their nation-state;[21] and (c) the extent to which they feel their political environment is legitimate.

It appears, therefore, that the degree and extent of the growth of civil society (or its lack thereof) and its inclusive institutions (as well as its relationship with the state) are relevant for comprehending the sources behind legitimacy. Where the

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somewhat describe what civil society is, "... this definition has a grave deficiency. It is good as far as it goes, but it does not go far enough. The problem is simple: such a definition would include under the notion of 'Civil Society' many forms of social order which would not satisfy *us*." *Ibid.*, pp. 5-6.

[18]*See* "State and Civil Society" from Antonio Gramsci's *Selections From the Prison Notebooks*, (NY: International Publishers) 1971; and for more contemporary critiques *see*, John Keane, ed. *Civil Society and the State: New European Perspectives*, (London: Verso) 1988.

[19]*See*, Adam Seligman's *The Idea of Civil Society*, (NY: The Free Press) 1992.

[20]Compare, for instance, Jürgen Habermas' *The Structural Transformation of the Public Sphere* with recent literature by authors espousing ideas from the new right.

[21]For a discussion of the process of democratic consolidation in Greece and more generally in southern Europe, see *The Politics of Democratic Consolidation: Southern Europe in Comparative Perspective*, Richard Gunther, P. Nikiforos Diamandouros and Hans-Jürgen Puhle, eds. (Baltimore: The John Hopkins University Press) 1994.

conception and ideal of civil society and that of a civic consciousness has been well cemented -- and codified -- into the foundation of society through political, social and economic structures, as is the case in northwest EU member states, one discerns a level and degree of legitimacy for the establishment that is absent in the nation-states to the south. Where the idea of modern civil society with its institutions and associations is less well formed (as will be shown is indicative of the case of Greece) we witness one of two phenomena: either other structures, traditional institutions or practices fill in the gaps and thus legitimise the status quo, or we begin to see the traces of a dilemma of legitimacy. In either case, however, an analysis of the civic environment seems integral for explaining and understanding legitimacy. This requires one to tie in a bit of the historical development of the state as well.

Indeed, the time seems right to begin an investigation into how the concept of civil society can be explored by placing it within a larger framework, i.e., by identifying the indigenous forces and structures affecting civil society as they are influenced through their association and interaction with transnational organisations. The case of Greece will provide key insight into a particular EU member state and how its civic environment has been affected by its association with the EU and in general by exogenous forces, and how, if at all, this has influenced perceived legitimacy in Greece (of both the indigenous political environment and the European Union). This can perhaps facilitate a preferred and more accurate exegesis of the concept of legitimacy.

1.2.2 DEMOCRACY

Representative democracy has been one of the cornerstones of western nation-states and certainly remains so today. What has become symptomatic of the present era, however, is a growing sense of uneasiness felt among western publics who are not content with how democracy is operating in their respective nation-states. Based upon EUROBAROMETER surveys, one can discern that there is increasingly a larger number of citizens who are "not satisfied" or "not at all satisfied" as to how democracy is operating within the confines of their nation-state. These feelings are particularly acute among citizens in the southern Mediterranean, i.e., Italy, Spain, and Greece, which have the highest percentage of dissatisfied citizens.[22]

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[22] Italy 77% not satisfied, España 67% not satisfied, Greece 66% not satisfied. EUROBAROMETER, #41, July 1994, p. 2.

This phenomenon, however, is evident not only at the level of the nation-state, but at an EU level as well. The issue of democracy, then, needs to be analysed and examined within an environment which goes beyond the nation-state, as transnational institutions are now playing a vital role in decision-making processes. As Robert Dahl notes: " ... the proliferation of transnational activities and decisions reduces the capacity of the citizens of a country to exercise control over matters vitally important to them by means of their national government."[23] David Held maintains that " ... the meaning of national democratic decision-making today has to be explored in the context of a complex multinational, multilogic international society, and a huge range of actual and nascent and global institutions which transcend and mediate national boundaries."[24] While not denying the continued importance of the nation-state, Held argues that globalisation is affecting relationships *among* nation-states and *within* nation-states, and this is an important ingredient which needs to be taken up by those involved in political theory today.

Institutions like the EU are prime examples of why the notion of democracy needs to be placed within a larger framework -- certainly beyond that of the nation-state. Yet at the same time, democracy still needs to be examined at the national level, since the nation-state remains the prevailing means of ordering societies as well as the foremost arena through which citizens can hold their leaders accountable for their actions. However, a theoretical as well as a practical examination of democracy has to adjust itself to the dynamics of a global system, and be able to explore the web of relationships found within on many levels (from community to local to regional to national and international). This feeds into the question of legitimacy in many ways, appropriately posed as questions by David Held. For instance he asks:

> What is the fate of the idea of legitimate rule when decisions, often with potentially life-and-death consequences, are taken in polities in which large numbers of the affected individuals have no democratic stake?
>
> What is the fate of legitimacy when the process of governance, both routine and extraordinary, has consequences for individuals and citizens within and beyond a particular nation-state and when only some of these people's consent is regarded as pertinent for the justification of rule and policy?[25]

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[23]Robert A. Dahl, "A Democratic Dilemma: System Effectiveness Versus Citizen Participation," *Political Science Quarterly*, Vol. 109, No. 1, 1994, p. 27.

[24]David Held, ed. *Political Theory Today*, (Cambridge, UK: Polity Press), 1991, p. 208.

[25]*Ibid.*, p. 204.

The notion of democracy, then, particularly in terms of its association with legitimacy, needs to be examined and explored in at least two ways: (1) in terms of accountability, that is, looking at the existing procedures whereby policy decisions are made on a national level and then on a transnational level (EU level) and examine the dynamics therein ('formal' legitimacy in Weiler's definition); and (2) by assessing the social and cultural influences which affect how citizens view their political system (and the EU decision-making process) in an attempt to better comprehend the question of legitimacy ('social' legitimacy as defined by Weiler). There appears to be a need to examine such questions as democracy and its relationship to the concept of legitimacy by taking into account both the political and social variables which influence the degree of satisfaction that citizens feel towards their political decision-making process. This can not be fully understood by simply looking at the idea of accountability. There are clearly socio-cultural influences which work in conjunction with political accountability within a given nation-state (or a transnational structure such as the EU) and together these affect how citizens evaluate their satisfaction with how democracy is operating within their indigenous nation-state as well as whether they perceive their system as legitimate.

Other contemporary analyses of this apparent dissatisfaction felt towards democracy have identified this malaise in terms of a 'moral crisis,' the characteristics of which include " .. a feeling of historical aftermath and disorientation ... a broad distrust of political representatives regardless of ideology ... [and] open-endedness."[26] Whether or not this viewpoint is accurate or not, it does not seem fruitful to utilise the term 'crisis' to define or explain the current questioning of democracy today. This term is saddled with too much previous baggage (particularly from the decades of the 1960's and 1970's) which prevents one from being able to explain the present doubts felt towards the functioning of democracy using this terminology.

In any case, it does not seem helpful to declare that we are experiencing a 'crisis' no matter how that term is used or defined. It appears, rather, that western societies have reached a crossroads in so far as changing social, political, and economic circumstances have brought with them the need to make fundamental structural modifications and other organisational adaptations to the institutional frameworks of western nation-states (especially in light of new political orders such as the EU). One should refrain from making sweeping generalisations about how and where such changes should occur, however, since it is evident that the member states of the

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[26]Charles Maier, "Democracy and its Discontents," *Foreign Affairs*, July/August 1994, pp. 53-58.

EU are quite diverse, and have very different structural compositions. Changes will have to be made by each member state of the EU in accordance with its particular situation, Greece in this study, acting as one such example for investigation.

1.2.3 THE WELFARE STATE

A discussion of the welfare state and the next aspect to be examined -- the economic environment -- are innately linked and thus an explanation of one will overlap into the other. This seems to be the case as many would agree that economic growth is a necessity for sustaining the welfare state although it does not guarantee it.[27] However, the welfare state deserves to be discussed as a separate dimension associated with legitimacy, as economics is only one of many debated facets pertaining to welfare state issues. Disagreements over the role of the welfare state (what it should be, how much of it is needed, who should pay for it) have continued unabated most pronouncedly since the 1960's when concerns for the welfare state and its durability came to the forefront of discussions in academia, and by the 1970's many were predicting the collapse (or 'crisis') of the welfare state. The western welfare state has not collapsed as was predicted, but certainly it appears to be facing new challenges in terms of how to continue to provide services to its citizens as new political, social, and economic realities have now to be confronted in this last decade of the twentieth century.

Explanations as to how the modern western welfare state is facing up to new internal challenges and unprecedented obstacles are plentiful and speckled with political undertones. From the left one finds Jürgen Habermas' critique of the welfare state which remains one of the leading interpretations attempting to establish "how the modern problem of legitimacy arises from structures of the bourgeois state."[28] Habermas maintains that "... threats to legitimacy can be averted only if the state can credibly present itself as a social welfare state which intercepts the dysfunctional side-effects of the economic process and renders them harmless for the individual..."[29] His conception of the role of the state in advanced capitalist systems hinges on the premise that the capitalist market creates needs which it can not feasibly sustain and this necessitates the state to step in and remedy the situation (by

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[27]As Richard Rose has stated: "Economic growth is the *sine qua non* condition for increased welfare in society." "Bringing the State Back In," In *New Perspectives on the Welfare State in Europe,* Catherine Jones, ed. (London: Routledge) 1993, p. 227.

[28]Jürgen Habermas, *Communication and the Evolution of Society,* (Boston: Beacon Press) 1979, p. 178.

[29]*Ibid.*, p. 194.

creating welfare policies to protect the natural and social environment, for example). The state, however, eventually finds itself in a position where it has to take on more and more responsibilities to avert a crisis, and by interfering in this way, the state ultimately tampers with the 'natural' regulation of the laws of free market capitalism.[30] These responsibilities that the state has to take on also have become increasingly diffuse and hard to define which ultimately means they are difficult to fulfill, linking them to the question of legitimacy. What has occurred is that the 'invisible hand' which is to *naturally* even-out economic activities becomes reified, and worse still, must then be guided. This then creates the need for legitimation of state activity, since it falls within the scope of the 'political.'[31] It would be interesting to further expand Habermas's notion of a 'legitimacy crisis' from a state level to that of the EU. In other words, as the EU takes over more competencies from member states, will the EU face the same (or a similar) 'legitimacy crisis' in Habermasian terms as the western advanced capitalist state has?

It is also worth mentioning here the discussion of legitimacy as outlined by Claus Offe[32] when discussing the inherent contradictions of advanced capitalist states since Offe's work also seeks to describe legitimacy, how it emerges and the problems which arise when it begins to be questioned. First, Offe's discussion of legitimacy explains what he believes is the crux of the matter which is centred not so much on the formal rules themselves (in a Weberian sense) but on "... what are the conditions under which these legitimating rules find universal *acceptance*, and under what conditions do they fail to find such acceptance ..."[33] In other words, Offe argues

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[30]*See*, Jürgen Habermas' *Legitimation Crisis*, (London: Heinemann Educational Books) 1973, especially "Part II. Crisis Tendencies in Advanced Capitalism."

[31]If one was to employ Habermas's rather deterministic hypothesis that the present economic circumstances have created the need for the capitalist state to interfere in the natural laws of the free market thus precipitating a 'legitimacy crisis', it appears then that Greece should be on the very brink of such a *crisis*. If the degree of state intervention in market mechanisms indicates the extent to which a 'legitimacy crisis' is apt to occur due to the politisation of the economic sphere, then by all indicators, Greece would appear as a prime example of a nation-state about to experience a major explosion. Such a superficial application of Habermas' notion of legitimacy, however, leads to false and erroneous conclusions. Although Greece has a centralised state which directly intervenes in the capitalist economy, one must realise that the retarded level of economic development in the country and the still developing structures and institutions has created the need for the state to step in and act to fill in the gaps left behind. A 'legitimacy crisis' as explained by Habermas is averted because state actions are *ipso facto* perceived of and acknowledged as legitimate in lieu of the recognition that capitalist structures and practices (and civil society as will be explored in Chapter Four of this study) still remain, in many areas, in their infancy. In reality, then, Greece can not be described as an *advanced capitalist state* in Habermasian terms and thus in many ways is not yet susceptible to the same types of legitimacy dilemmas as its north European EU partners which are more mature capitalist states.

[32]*See*, Claus Offe, "Legitimacy versus Efficiency," In *Contradictions of the Welfare State*, John Keane, ed., (Cambridge, Mass: The MIT Press) 1984, pp. 130-146.

[33]*Ibid.*, p. 135.

that the question of the legitimacy of rules is derived not so much from what the rules are about (content), but on the acceptance of such rules which is determined partly by the perceived consequences or results of such rules. He writes:

> ... the preference for democratic government is not based on the rules themselves but on the expectation that this form of government will contribute to common and individual welfare and other desirable goals. The ability of governments actually to produce such ends -- or at least to create the appearance that it is able to achieve such goals -- may consequently be considered as one major determinant of what we have called acceptance of the legitimating rules that, as formal rules, have themselves to be legitimated. The problem of legitimacy thus turns out to be caught in the dialectic of form and content.[34]

This emphasis which Offe places on the perceived consequences of rules laid out by democratic governments which he sees as a determinant of the legitimacy of these rules -- a causal argument, while certainly illuminating part of the issue of the question of legitimacy, seems to fall short of comprehensibly laying out a way by which to actually examine the degree of legitimacy for government rules. Offe's argument assumes, for instance, that there is a base level of agreement as to what are the perceived consequences or expectations of rules. It is true that we follow traffic laws not because in and of themselves there is any innate preference to do so (there is no real overriding rule that states that it is proper to drive on the left as opposed to on the right), but because we know that the consequences can be deadly. However, is there ever a time that we all agree on (or know of) what the consequences or results of government rules are? What happens when a controversial government rule is passed and made into law? Even if we assume that we can determine the conditions under which a rule is perceived of as acceptable or not, can we determine that all citizens perceive the consequences of governmental actions in the same way and thus make assumptions about the legitimacy of such governmental actions?

On the other side of the debate theoretical contributions about the welfare state have continued deriving from British empiricism stemming from the ideas of T.H. Marshall[35] and Richard Titmuss. T.H. Marshall's notion of citizenship involved access to certain rights and powers, for example, civil rights, political rights, and social rights. As Gøsta Esping-Andersen has noted, Marshall as well recognised "...

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[34]*Ibid.*, p. 135.

[35]*See Citizenship Today: The Contemporary Relevance of T.H. Marshall*, Martin Bulmer and Anthony M. Rees, eds., (London: University College London Press) 1996, which consists of some of the more recent essays on Marshall's work.

that social citizenship constitutes the core idea of a welfare state,"[36] and this remains a vital component in the present debates. In describing the aspects of the welfare state, Marshall believed that it was characterised by two seemingly contradictory traits: individualism and collectivism.[37] In so doing he identified one of the most important antitheses of the welfare state which is still relevant for contemporary discussions of the subject. On the one hand, debates have focused on the individual who is perceived of as having a right to certain fundamental provisions which need to be secured by the state. On the other hand, discussions have centred on society as a collectivity, a rather nebulous and ill-defined idea which is conjured up to provide a ground on which to contemplate which welfare provisions should be provided by the state and to whom they should go; which provisions are not considered state responsibilities, and who is to pay for these. Few societies have been successful in juggling both of these apparently contradictory roles of the welfare state, (one normative and one objective) and as T.H. Marshall once remarked: "The harmonizing of individual rights with the common good is a problem which faces all human societies."[38]

Richard Titmuss' delineation of three major categories of welfare (social, fiscal, and occupational) have contributed to the ongoing investigation of the welfare state as has his three models of social policy.[39] Noteworthy likewise is Göran Therborn's work which sees welfare state activities as constituting "one kind of relations [sic] between a state and its population."[40] Therborn insists that this relationship must be explored in terms of conditions and resources, as this aspect has been sorely unexplored in the past.

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[36]Gøsta Esping-Andersen, *The Three Worlds of Welfare Capitalism*, (Princeton, NJ: Princeton University Press) 1990, p. 21. Esping-Andersen, argues, however, that Marshall's concept ".. must be fleshed out." *Ibid.*, p. 21. In other words, one can not simply look at the rights the welfare state allows for, but also how the other activities of the state are conducted including those from the market and the family.

[37]"I take the most relevant aspects of the Welfare State, in this context, to be the following. First, its intense individualism. The claim of the individual to welfare is sacred and irrefutable and partakes of the character of a natural right. ... But if we put individualism first, we must put collectivism second. The welfare state is the responsible promoter and guardian of the welfare of the whole community, which is something more complex than the sum total of the welfare of all its individual members arrived at by simple addition." T.H. Marshall, *Class, Citizenship, and Social Development*, (Garden City, NY: Doubleday and Co. Inc.) 1964, pp. 236-237.

[38]*Ibid.*, p. 237.

[39]The Residual Welfare model, the Industrial Achievement Performance model, and the Institutional Redistributive model. *See*, Richard Titmuss, *Social Policy*, (London: George Allen & Unwin Ltd.) 1974.

[40]Göran Therborn, "States, Populations and Productivity: Towards a Political Theory of Welfare States," in *Politics and Social Theory*, Peter Lassman, ed. (London: Routledge) 1989, p. 65.

However, in my view, the most significant contribution to the deliberations on the welfare state is that of Gøsta Esping-Andersen and his three regime-type 'clusters' based upon examining the relationships found among state, market and family arrangements.[41] In the first of these 'clusters' he identifies the 'liberal' welfare state which includes the USA, Canada, and most of the English-speaking countries; in the second -- 'corporatist-statist' -- are Austria, France. Germany and Italy (and I suppose he would place Greece in this category, although not without some difficulty as I shall discuss subsequently); and lastly there is the 'social democratic' regime-type which include the Scandinavian countries. In identifying these three 'clusters,' Esping-Andersen emphasises that there is 'no single pure case,' and that:

> [a] theory of welfare-state developments must clearly reconsider its causal assumptions if it wishes to explain clusters. The hope of finding one single powerful causal force must be abandoned; the task is to identify salient interaction-effects. ... three factors in particular should be of importance: the nature of class mobilization (especially of the working class); class-political coalition structures; and the historical legacy of regime institutionalization.[42]

Clearly as European integration has expanded, and as more members have joined with different welfare systems, the problem of synchronising and juggling the various welfare traditions has become more acute. There is thus a constant need to create new schemes, or amend old ones, in order to incorporate new members and their particularities.

Stephan Liebfried has done just that and has further built upon Esping-Andersen's work and devised a fourth regime-type which he refers to as "Latin rim countries.' In this category he places 'rudimentary' welfare states which have distinct traditions of welfare which make them markedly different from other nation-states. In Chapter Seven of this study an attempt will be made to apply Liebfried's delineation of a 'rudimentary' welfare state to that of Greece.

Although each of these above mentioned accounts of the welfare state are valuable in identifying the characteristics and role of the western welfare state as well as some of the perplexities found therein, when looking at how the welfare state will be affected by new developing political orders such as the EU, one is left somewhat in the dark. There is very little written on the affects of the western welfare state from external forces -- i.e. coming from the international or transnational environment.

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[41] *See*, Gosta Esping-Andersen's *The Three Worlds of Welfare Capitalism, op. cit.*, especially "Part I: The Three Welfare State Regimes."

[42] *Ibid.*, p. 29.

The present reality seems to indicate that western society has become indicative of a series of contradistinctions: technological advancement and industrial innovation which has brought with it unprecedented intellectual achievements on the one hand, and on the other hand this has created insurmountable obstacles for the state. The modern welfare state has now to face multitudinous demands being placed upon it which can range from participating in a global economic market through the growing use of fiber optics, to environmental measures to avert an ecological disaster, to providing for adequate housing for those who can not afford it. The role of the welfare state now has to be dynamic to keep in tune with the new needs of a society constantly mutating, yet at the same time has to maintain stability and remain consistent in delivering promised welfare services.

The increasing responsibilities and regulations that the welfare state is now trying to juggle has indeed put heavy strains on the institutional structures that lay within its boundaries. Yet so far we have not seen the evolution of any other political order which could replace the nation-state as we have come to understand it. Disputes as to the degree of sovereignty that has been retained -- or lost -- by the nation-state in a world of interdependence brought on by globalisation continue. Both those advocating the permanence of the nation-state and those forecasting its demise seek out facts to sustain their respective positions. Held in common is the belief that indeed the present era has brought with it transformations which affect the political, social and economic environments and that the accompanying institutions found within these environments can not remained ossified.

Given then, the enormous demands required of the welfare state today, one would expect that citizens of modern nation-states would acknowledge that certain areas of state responsibility could perhaps be tended to through a cooperation of nation-states. In lieu of the recognition that the economic environment of the modern nation-state no longer functions autonomously due to economic interdependence created by world markets, it would seem to make sense that other areas that were once traditionally held by the state could be best handled through a coordination with other states facing similar difficulties. However, as we shall see in the next chapter, a great majority of EU member citizens believe that their national government should retain the responsibility for deciding policies in such areas as health and social welfare, education, participation of workers' representatives on company boards, and cultural policy.[43] This may be an emotional rather than a

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[43]EUROBAROMETER, #40, December 1993, A53-A54.

practical problem of transferring allegiance from the nation-state to the EU, in other words, a question of social legitimacy.

This then, appears to be a piece to the puzzle to explaining the question of legitimacy. Owing to the transformation of the welfare state in this latter part of the twentieth century as provoked by world developments, it has become more arduous for national governments to provide public provisions that came to be demanded by citizens and which became de facto in the post World War Two era. Suddenly, however, national governments have begun to re-evaluate whether they can afford to continue providing such services, and increasingly a cost-analysis philosophy has come to be the guiding force in determining what public services will continue to be provided, and which will be driven into the private sphere.[44] This has resulted in a legitimacy gap between the 'governed' and the 'governors,' the degree of which depends upon the extent to which the state originally took on welfare responsibilities. One can establish, therefore, a correspondence between what welfare provisions citizens have come to expect from their national government -- which they are not willing to have displaced on to an EU level -- and the ability of the welfare state to continue to provide these provisions which affects how citizens view their government, including the degree of legitimacy felt towards that government.

1.2.4 THE ECONOMIC ENVIRONMENT

Closely related to the challenges facing the western welfare state are the complexities associated with the issue of economic growth and prosperity. The ability to successfully manage economic affairs appears today to be particularly integral for national governments in maintaining their legitimacy, but obviously only one of several facets which needs to be examined. Needless to say, economic stability and growth have always been important features of legitimacy for any government, and economic prosperity sustains a welfare state although as mentioned, it does not guarantee it. However, presently, in light of a changing economic environment indicative of global markets and world-wide economic competition, the relationship between economic prosperity and legitimacy appears to be more intimate. Nonetheless, what must be emphasised as well is that there is no

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[44] An immense debate has centred around whether the private or the public sphere is the appropriate level in which to speak of societal provisions. The health care debate in the USA and changes in the NHS in the UK are of but two examples of where the private vs. the public dispute about health care is currently raging.

functional relationship or one-to-one link between favourable economic performance and legitimacy, the former not always guaranteeing the latter.

One of the many economic and political realities that have to be confronted now by western nation-states as concerns economics is the rapid and decisive events which have occurred in Eastern and Central Europe which have resulted in more economic actors competing for their share in the 'free' market arena. Many of these former Soviet bloc states are strategically situated geographically, bordering on west European nation-states which makes them very favourable for trade and other economic interaction. These Central and Eastern countries therefore have an advantage over their competitors in the Far East as they are geographically adjacent to EU members. These once closed economies have suddenly turned 'capitalist' and are attempting to enter into the European market arena (and the EU itself) and in fact the global market as well.

The three most promising candidates on the queue to join the EU[45] from Eastern and Central Europe and those who pose the fiercest challenges economically are clearly Poland, Hungary, and the Czech Republic. The Czech Republic in particular has a formidable economic record with " ... $7 billion in hard currency reserves, no foreign debt and one of the region's most promising inflation-fighting currencies."[46] Hungary has already implemented a policy whereby no new laws or regulations are passed in the national assembly that can hinder trade in any way with EU member states or create obstacles in Hungary's petition for entry into the EU. Although obviously these states have a way to go before they can boast of economic prosperity and full de-regulation of their previously tightly state-run economies, they have moved in leaps and bounds toward opening up their economic sectors and making structural changes to accommodate a western-style capitalist market system. As Vit Stepanek, a top official in the Czech Republic's Economics Ministry in Prague recently noted, "We went from a command economy to a market economy, and from a communist regime to democracy. But as we are changing, Europe as a whole must change, too."[47]

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[45]The queue for EU membership continues to grow rapidly as other Eastern and Central European nations submit their applications for consideration to the EU authorities. Indeed one of the major issues at the upcoming 1996 Intergovernmental Conference will be to discuss further enlargement of the EU and the consequences of such an enlargement on the institutional framework of the Union.

[46]Mark M. Nelson, "Extra Accommodations," *Wall Street Journal*, Friday, Sept. 30, 1994, p. R13.

[47]*Ibid.*

Another important economic transformation which has affected west European economies has come from countries in South East Asia and the Far East, who have recently become new participants in the global market, and who now pose an additional menace for the west. These countries' domestic economic environments are far less developed when compared with those of the west, and certainly technologically retarded, yet they have become western Europe's most threatening competitors since they have cheap labour costs, low salaries, fewer benefits for workers, and low overhead costs as employees work under poor working conditions. This results in products that are manufactured below the cost of what the same product is produced for in the West.[48] This reality has created severe economic worries for western economists who are faced with reflecting on the fact that the fastest growing economies are outside of Europe, and these are the ones which pose the most threat.

Faced with such stiff competition, EU member states, in an attempt to keep competitive and market shares, have increased productivity by employing new technologies to the point of making domestic jobs redundant. This has resulted in an unemployment problem (an additional pressure on the western welfare state) unseen in Europe since the interwar years. High unemployment rates (the average EU unemployment rate is currently hovering at around 11%) coupled with slow growth rates has meant that west European economies have to defy the odds and attempt to forge ahead in strengthening their economies, one such attempt being through the Single European Market (SEM) project, and other such coordinated endeavors outlined in the European Commission's White Paper on "Growth, Competitiveness, Employment."

What seems clear, however, is that a European employment force today has to be multi-purpose, as flexibility leads to marketability in an economic environment which presupposes literacy and knowledge of a different kind -- to be able to communicate "... in a context-free code."[49] And certainly the advent of

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[48]A comparison of average 1993 hourly labour costs in manufacturing, in dollars, from five western nation-states as compared to five Asian countries reveals some stark differences:

Western Germany:	$24.87	Taiwan	$5.46
Switzerland:	$21.90	Singapore	$5.12
Belgium:	$21.00	South Korea	$4.93
Netherlands:	$19.83	Thailand	$0.71
Austria:	$19.26	Philippines	$0.68

From DRI McGraw-Hill, Morgan Stanley Research, reproduced in *The Wall Street Journal*, Friday, Sept. 30, 1994, p. R4.

[49]Ernest Gellner, "Civil Society in Historical Context," *International Social Science Journal*, 129, Aug. 1991, p. 508.

globalisation will have far more reaching consequences on the structure of the work force as well as on society in general[50] throughout western Europe (and abroad as well) in the future.

As far as domestic spending is concerned, it continues to rise as governments find themselves constantly needing to regulate as well as to dispense social welfare benefits, which continually adds to already huge national deficits. As was mentioned previously, national governments have been trying to discharge from the public sphere into the private sector welfare responsibilities to ease their economic burdens. This has not gone over well with the citizens of EU member states, however, nor with trade union organisations which complain that jobs are melting away and that their benefits are shrinking, even though they realise that costly social benefits may be partially what is forcing many companies and firms to go seek out cheaper labour abroad.

Tying these economic realities to the question of legitimacy requires one to acknowledge that there are vast differences of opinion as to how the new economic environment is to be confronted. It is obvious that dramatic changes which are occurring in Eastern and Central Europe as well as in Asia necessitate adaptations in west European nation-states as well, but there is less of a consensus as to *how* these transformations should occur and in what ways. National governments realise that they need the support of their citizenry in order to make changes, and that these changes must be perceived of as legitimate by their citizenry. Likewise they are aware that their slim parliamentary majorities necessitate them to make whatever changes have to be made slowly so as not to lose public support and thereby be voted out of office.

National governments, therefore, must be prepared to act and *react* to unexpected circumstances which might occur in the economic sector while understanding that their level of legitimacy as perceived by their respective citizenry needs to be taken into account. This does not mean, however, that the citizens of west European nation-states, solely based on economic efficiency, will perceive their political systems as less legitimate. Rather, what is suggested is that a government's sense of legitimacy is affected by the standard of living that it can provide its citizens as well as a series of cultural and social factors which feed into this issue. Just as the differences between workers and their working conditions in western Europe are

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[50]*See*, Anthony Giddens, *The Consequences of Modernity*, (Stanford, California: Stanford University Press) 1990, for an account of 'post-modernity' and its consequences.

different from those of their counterparts in Asia for reasons not simply based on economic characteristics (pay and social benefits, for example) but in terms of social, cultural, and historical contrariness, so too does this apply to the question of legitimacy. What would be perceived of as legitimate by an Asian worker (as well as what would be perceived of as acceptable or fair pay) is in contrast to what would be perceived of as legitimate by a west European worker, and this goes beyond simply economics. In both cases, however, economic prosperity and growth seem to be a part of the legitimacy equation albeit in very different ways. It is pertinent to mention as well that long-term economic hardships borne by a population over a sizable period of time may sow the seeds of discontent affecting the level of legitimacy much more than a short-term austerity programme whose duration is fixed.

1.2.5 SECURITY/DEFENCE

A final dimension which will be made manifest to reveal its association with the question of legitimacy concerns the issues of security and defence. Throughout this century as nation-state building has flourished unlike any era previously, security and defence responsibilities have resided primarily within the sovereign borders of the nation-state, where the national government has taken up the liability for such matters. Weber's definition of the state as "a human community that successfully claims the monopoly of the legitimate use of physical force within a given territory"[51] very much reflected the notion that the issues of security and defence were those that would be solely within the realm of responsibility of the state and that there they would be perceived of as legitimate.

However, as the ideal of cooperative relations among western nation-states evolved into modern forms of organisation in the post-World War Two era, the issues of security and defence began to be perceived of in relation to other nation-states and a system of friendly alliances was transformed into organisations such as NATO and the European Coal and Steel Community which had as one of their goals the prevention of any future deadly hostilities among their member states. Today, in an era of rapidly changing geopolitics which has brought with it a large degree of uncertainty and fear, the need for cooperation and synchronisation among west European nation-states (and with Eastern and Central European nation-states as well) appears more pressing than ever before. Tumultuous changes which are occurring in

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[51]Max Weber, *From Max Weber: Essays in Sociology*, translated and edited by H.H. Gerth and C. Wright Mills, (London: Oxford University Press) 1958, p. 78.

the republics of the former Soviet Union and the conflicts which blew up in the Balkans have created a great deal of uncertainty and fear, particularly among those residing in continental Europe (and especially for those nation-states such as Greece whose geographical proximity to the conflicts make their position very precarious).

Therefore, on the one hand, it appears that the issues of security and defence seem to lend themselves to cooperative planning and organisation and there is certainly a degree of support for such endeavors among EU member citizens,[52] but on the other hand security and defence remain issues that are some of the most national in character. National governments as well as citizens are not willing to give transnational organisations the degree of power which would allow them effectively to make vital (or final) decisions concerning questions of security and defence, as they continue to perceive the national level as that one which has the legitimate right to do so.[53] Allowance for unilateral action, for example, is believed to be indisputable, which seems to indicate that the underlying matter involved, that of national sovereignty, is the more complicated and sensitive concern at hand.[54]

Yet it does not seem fruitful to pit the nation-state against developing international organisations and then try to decide which is losing sovereignty and which is gaining it. Obviously the member states of the EU are under certain constraints as to specific actions that can be taken unilaterally by their national governments as it concerns such things as military action, location of weapon systems, but this has been a basic principle of NATO for many more years and at least in the immediate post-World War Two era was very strictly monitored and enforced. Since NATO has not stripped a single member of the alliance of its sovereignty, it may be said that the EU will likewise not abolish member states of their sovereignty, at least not at any time in the immediate future. What does appear to be happening, however, is that issues such as defence and foreign policy require readjustments among member states of

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[52]Public support among citizens of the EU as concerns whether the EU should be working towards a common defence foreign policy towards countries outside the EC/EU has been rising during the past four years. In 1994 it was 75% *for* as opposed to 15% *against* supporting such a policy. EUROBAROMETER, #41, July 1994. However, there remain great discrepancies among member states, Greece having only 27% of the population believing that the EU level is the appropriate level for deciding defence and security policy.

[53]Analysts of Community policy-making such as Giandomenico Majone, for example, argue that "Given the progressive loss of control over economic policy, social policy is, with foreign policy, one of the few remaining bulwarks of national sovereignty, and for this reason alone national governments will do their best to protect it." "The European Community Between Social Policy and Social Regulation," *Journal of Common Market Studies*, Vol. 31, No. 2, June 1993, p. 162.

[54]For a discussion of sovereignty and how it is being affected by the EU, *see* Neil MacCormick, "Sovereignty, Democracy and Subsidiarity," In *Democracy and Constitutional Culture in the Union of Europe*, Richard Bellamy ed. et al., (London: Lothian Foundation Press) 1995, pp. 95-104.

the EU so as to allow them to develop more of a common stance on foreign affairs. Certainly these readjustments will entail a qualification of sovereignty which will be more difficult for some members than others (i.e., Greece and the UK) to tolerate and accept, but it seems unwise to predict the abrogation of the nation-state as the main repository of sovereignty as yet. What one should be investigating rather, "... is not a theory of the state, or a theory of the international order, but a theory of the changing place of the democratic state within the international order."[55]

Given this state of affairs, then, the question which emerges is: on what level do we examine the concept of legitimacy as it relates to issues of security and defence? If traditionally the nation-state was the level at which security and defence was legitimate, then some would argue that there it will remain legitimate.[56] But there is further evidence to support an argument that in a world of accelerated globalisation, nation-states need (are forced?) to collaborate with one another in developing policy, even though in the past they may have faced such issues as defence and security on their own. Certainly in an era of globalisation more pressure is being placed on national governments to cooperate with other nation-states when facing serious security threats. Yet as will be brought up in the next chapter, the European Union has yet to convince its citizens as well as national leaders that it should be the *legitimate* repository for such a type of decision-making, and has yet to develop the necessary organisational structures to do so.

Hence by examining the concept of legitimacy, one observes that a gap has developed between the level of the nation-state and a developing transnational level. The nation-state no longer can be seen as the primary instrument for making security and defence decisions, yet the EU has not yet won over EU member state citizens and their national leaders to the view that is should take over this important responsibility. The question of who is now the *legitimate* actor vis-à-vis matters involving security and defence reflects precisely part of the complexity involved in establishing the arena in which such questions should be asked and examined in a world of internationalism.

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[55]David Held, *op. cit.*, p. 223.

[56]"So, is the coming of international government now logically unstoppable? Yes, but it will advance with much difficulty, because two of the three ingredients of the rise of the nation-state -- identity and legitimacy -- are missing at the higher level. While the principle of noninterference in the affairs of nation-states may be weakening, the willingness of people to die to impose the world's standards is weakening, too. People must look to the nation-state for their military security." Nicholas Colchester, "Goodbye, Nation-State. Hello ... What?" *New York Times*, Sunday, July 17, 1994, op-ed.

1.3 Conclusion

Each of the previously mentioned dimensions of the legitimacy question explore particular aspects of the subject helping to bring to light the different facets involved. These dimensions of legitimacy must be viewed contemporaneously and historically for one to obtain an accurate appreciation of the forces and structures at work behind the phenomenon of legitimacy. What has been perceived as legitimate -- and by whom -- has changed over time thus making the concept a dynamic and unfixed one. Therefore any scheme which is developed to examine such a concept must also be dynamic and flexible. By investigating both the political ('formal') aspects of the concept as well as the social ('empirical') component, my hope is that a more explicit and transparent understanding of legitimacy will emerge.

1.4 The Remainder of this Study

Chapter Two that follows sets out to examine the concept of legitimacy by relying on these five dimensions which will be applied to the European Union. Chapter Three (which will end Part I of this study) will focus on the EU and the policy and decision-making processes and how these feed into the legitimacy question which will complement some of the comments made in this chapter and in Chapter Two.

The central part of this study will concentrate on a particular EU member state -- Greece. Again the aforementioned five dimensions of the legitimacy question selected will be applied to the case of Greece so as to make more substantive an investigation of this concept. One general observation which should be noted is that the discussion of Greece mainly concerns the post-authoritarian era, that is, the period after 1974. Although some mention is made of historical events and other significant incidents from earlier periods, the primary time frame of this investigation of Greece is after the fall of the Colonels up to the present.

Chapter Four seeks to investigate the Greek state and applies the notion of civil society to modern Greece. Mention will be made of the Greek civic environment and how EU membership has affected Greek society. Chapter Five explores the issue of democracy in Greece and centres on the formal aspects of legitimacy in Greece by briefly examining the Greek political system and how it functions in practice. Following a discussion of the political aspects of legitimacy in Greece, Chapter Six turns to the issue of the welfare state, and a characterisation of the Greek welfare state is made as a 'rudimentary' welfare state as based on the schemes of

Gøsta Esping-Andersen and Stephen Liebfried. The Greek economic environment is taken up in Chapter Seven, which attempts to reveal how close (or far) Greece is from attaining the EU convergence criteria required for monetary union, while the Greek underground economy is as well referred to. Lastly, Chapter Eight surveys how geopolitics affects issues of security and defence in Greece. Particularly after the fall of Soviet communism, issues of security and defence have come to the fore of discussions within Greek corridors and among those concerned with foreign policy. The proposed EU Common Foreign and Security Policy (CFSP) and Greece's recent entry into the Western European Union (WEU) as a full member (in April of 1995) will be discussed as they feed into the question of legitimacy. This study will end with a brief conclusion which will attempt to pull together the various pieces of this study and bring this discussion to a close.

Chapter Two

LEGITIMACY, THE EU AND THE CASE OF GREECE

2.1 Introduction

The present chapter offers an overview of developments in the European Union and aspects of the recent social and political history of Greece. It also applies the five dimensions of legitimacy as outlined in the previous chapter to the European Union. The intention in this chapter is fivefold: to survey the evolution of European integration; to explore the question of legitimacy as it relates to the European Union; to introduce the national vs. supranational debate; to make some remarks about the nature of the Greek nation-state; and lastly to provide information concerning Greece's entry into the Community.

2.2 A Brief Historical Explanation of the Evolution of European Integration

Membership	Decade	Theory of Integration	Economic Integration
France, Germany, Italy, Belgium, Luxembourg, Netherlands	1950's	functionalism	free trade area
	1960's	neofunctionalism	customs union
1st Enlargement 1 Jan. 1973 Denmark, UK, Ireland	1970's	confederalism, intergovernmentalism	common market
2nd Enlargement 1 Jan. 1981 Greece 3rd Enlargement 1 Jan. 1986 Spain, Portugal	1980's	quasi-federalism SEA	single market
4th Enlargement 1 Jan. 1995 Austria, Sweden, Finland	1990's	supranationalism, federalism, persistent intergovernmental-ism	Economic Monetary Union

Table 2.1 From 'Free Trade' Area to 'Union' : From 'Six' to 'Fifteen' [57]

18 April 1951	-- **ECSC:** European Coal and Steel Community
25 March 1957	-- **EEC:** European Economic Community
25 March 1957	-- **EAEC:** European Atomic Energy Community
28 February 1986	-- **SEA:** Single European Act -- **EC**: European Communities
7 February 1992	-- **TEU:** Treaty on European Union -- **EU**: European Union

Table 2.2 The Evolution of European Integration

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[57]Table based on Juliet Lodge's examination of European integration found in "The Challenge of the Future," Preface, *The European Community and the Challenge of the Future*, 2nd edition (London: Pinter Publishers) 1993, pp. xiii-xxvi. The first two columns, 'membership' and 'decade' are my own additions, as is the last row concerning the 4th enlargement.

As the above tables reveal, there has been a qualitative as well as a quantitative expansion of European integration throughout the past four decades. Each decade had a prevailing theory (or theories) of integration which today are used to represent the general expression of the mood at the time. The extent to which economic integration occurred can also be partially explained along these lines, although it will be argued in this study that economic variables must be seen and viewed along with many other determining factors arising from the political and social environments, respectively.

One underlying assumption concerning membership of the Community (and now the Union) has been that all members must incontrovertibly possess democratic systems and thus have *politically* legitimate, i.e., so-called 'democratic' governments.[58] For example, Greece's associate membership was put on hold once the Colonel's came to power in 1967 and Spain and Portugal were allowed in only after the fall of their respective dictatorships. An interesting scenario, one which the Community would have been utterly unprepared to confront, would have been if any of these countries while full members of the Community had experienced a return of a dictatorship. In such a situation the Community would have been faced with having to swiftly create official legislation for removal procedures -- indeed an unprecedented action.

By examining the evolution of European integration it becomes apparent that at least at its inception, the notion of west European nation-states cooperating with each other in various economic arenas was not one that was widely socially accepted among the general citizenry of Europe. Much hostility and animosity was still felt between the populations of France and Germany, for example throughout the 1950's, although clearly the ECSC was seen as a way to intertwine the economies of these two western nation-states so as to prevent any further hostilities from arising between themselves and their neighbours. This preventive character that the ECSC had would gradually be transformed into one of cooperation by the 1960's, when the relationships among EEC members would turn towards mutually beneficial expressions of collaboration vis-à-vis economic problems and dilemmas held in common. The oil crisis which affected Europe by 1973 most immediately revealed the necessity for Community members to join forces and find solutions for European dependency on imported petroleum, and made manifest the need for more and better synchronisation among members in diversified areas of trade and tariff laws. The

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[58]This issue may be brought up in more particular terms as countries from Eastern and Central Europe are now on the queue to join the Union with very different political traditions which have been considered by many as neither 'western' nor 'democratic.'

economic recession which occurred in the decade of the 1980's was equally decisive in creating an atmosphere which seemed to propel Community members to link up with each other to tackle increasingly formidable obstacles from the international arena. The degree and extent to which technological innovation is occurring presently has added potency to the argument for further integration and the global economic environment which has brought with it an unprecedented level of competitiveness all lend credence to the Euro-enthusiasts plans for the development of a united Europe.

Thus, the degree of legitimacy for European integration has differed quite substantially throughout the past forty years. The degree to which Europeans have perceived integration as legitimate has depended partially on the economic climate prevailing at the time and other social and political factors which together determined the degree and extent to which Europeans favoured or disapproved of the integrative project. Nor did these factors coincide in each member or prospective member country to produce a necessary convergence with any prevailing definition. What needs to be kept in mind is that European integration is a dynamic process rather than an end goal, and this makes it difficult to make predictions about its direction with any degree of certainty. The fact that the *European Union* still remains a nebulous idea subject to a variety of definitions is proof enough that there are specific complexities which one encounters when investigating European integration. This same reality holds true for the concept of legitimacy.

Hence it is a truism that a great deal of the impetus (perhaps even necessity) for European integration over the past four decades has come from exogenous forces -- presently from a new evolving global environment -- rather than from indigenous sources. Certainly the perceived communist threat in the post-World War Two era was the most decisive force persuading west European leaders and their citizens that cooperation and joint ventures with their allied neighbours would secure their future in a divided world. To a great extent this was how the European integrative process was initially legitimised: it was a tangible way to prevent any future conflicts among its members, and it was the best bulwark against any encroaching communist threat.

It seems important to emphasise that, at present, the European Union as it appears to be evolving, is attempting to develop the prerequisites of a political and social union as well as an economic one, although clearly the economic features are developing more rapidly than the political and the social. The level and degree of coordination within the political and social spheres, however, most recently has been enhanced by

the TEU through further cooperation in such areas as security and defence as well as social regulations. Further coordination has been planned for the 1996 Intergovernmental Conference as well. Nevertheless the type and degree of coordination being attempted at this present stage of European integration which includes a multiplicity of joint economic, political and social ventures, is the most ambitious and inclusive endeavor that has been attempted to date. It remains to be seen whether or not these enterprising goals can be achieved.

2.3 Legitimacy and the European Union

What must be recognised at the start is that the European Union (EU) is not a *nation* or a *state* or an *international organisation* as we have come to understand these terms. It is something *else*. Specifying the nature of that something else is part of the problem of legitimising it as well. The two descriptions that act as quasi-definitions of the EU today -- the EU as a union on the road to becoming federal versus the EU as a community of nation-states -- do not shed much light on the question of how to legitimise this union to the member governments and their citizens. Therefore, what is necessary is a fresh re-examination of the concept of legitimacy as it applies to the EU and its member states, as more powers and areas of competence are transferred from the nation-state to the EU.[59]

How do we apply the dimensions of the legitimacy problem to the European Union in the post-Maastricht era? As mentioned, clearly the EU is neither a state nor a federal system, but rather a hybrid (and still evolving) political order, and this is certainly part of the problem of legitimising it as well. The EU therefore stands out as a unique (and unprecedented) type of political, social and economic institution which means that when exploring the question of legitimacy, there will be very specific difficulties as they relate to the particularities of the EU itself and its internal and external relationships and operations. As Albert Weale has pointed out:

> ... we cannot simply transpose an understanding of legitimacy suitable to the nation-state to the European level, or, more particularly, we can[not] assume that the same sorts of processes that sustain allegiances in stable nation states will apply to cases where the locus of those allegiances is being challenged.[60]

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[59]*See* Tina Mavrikos, "The Question of Legitimacy," *Journal of Modern Greek Studies*, pp. 251-269 where the author first debuted these ideas, found in Appendix 2 annexed to this study.

[60]Albert Weale, "The Single Market, European Integration and Political Legitimacy," Theme Paper Prepared for ESRC/A7 COST Action Conference, University of Exeter, 8-11 Sept. 1994, p. 6.

Yet, for the EU to be successful in its endeavors, it must be able to establish legitimacy for its policies, especially in light of the fact that the EU continues to expand into new policy areas which intimately affect EU member state citizens. Further enlargement of the Community means that new members (some accustomed to very different ideas of how decision-making should be conducted) can challenge the existing procedures. The policy-making and decision-making processes as they relate to the question of legitimacy will be the focus of the next chapter of this study.

The EU currently finds itself poised at a very crucial phase in the process of putting into action an ideal of a united Europe as set out in the TEU. This decisive period of European coordination will require a sense of legitimacy on the part of all those involved (both directly and indirectly) for it to be successful in achieving such goals as the EMU (European Monetary Union) and the CFSP (Common Foreign and Security Policy). For such policies to be effectively implemented, legitimacy is required, and an investigation into this requires one to go beyond the rather simplistic idea that legitimacy as it refers to the EU refers merely to 'acceptance' of a set of specific policies. The question likewise arises as to who the decision-makers are, and who they are accountable to.

There seems no doubt that the EU has come to acquire among its member governments and their citizenry a degree of 'functional' legitimacy. By this what is meant is that the EU does have a policy agenda, and therefore tangible results can be reviewed and evaluated. But the EU is going to require much more than a functional legitimacy if it hopes to achieve its outlined goals. The more integral aspect of the legitimacy equation for the EU concerns not only whether or not particular policies are viewed as acceptable to EU member citizenry, but the more profound question now being asked is whether the EU *should* have the authority to make binding decisions in certain areas of competence once reserved for national governments, and if so, under what conditions should this be accepted.

Joseph Weiler's assessment of the legitimacy problem confronting the EU[61] has been given widespread attention as it remains one of the most quoted pieces written on the subject. His ideas have been widely cited by those who have taken up this question even though many do not agree with his somewhat neo-Gaulist conclusions. The point here is to acknowledge that his analysis is important because it goes beyond the 'democratic deficit' issue and explores the differences between

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[61] Joseph H.H. Weiler, "After Maastricht: Community Legitimacy in Post-1992 Europe," in *Singular Europe*, William James Adams, ed., (Ann Arbor, Michigan: The University of Michigan Press) 1992.

democracy, formal legitimacy and social legitimacy, and finally puts on record that concepts such as democracy and legitimacy are not interchangeable and thus should be analysed as distinct principles.

> ... it would be difficult for a nondemocratic government structure or political system to attain or maintain legitimacy in the West, but it is still possible for a democratic structure not to enjoy legitimacy ... the existence of democratic structures surely influences the legitimacy of governance structure, it does not guarantee it.[62]

The attempt here will be to move beyond Weiler, however, and explore the issue of legitimacy as it pertains to the EU in the post-TEU era by trying to build upon the ideas already outlined by previous authors (for example, the issue of the 'democratic deficit,') as well as explore the social aspects of legitimacy which appear to be just as essential in understanding this phenomenon as are such issues as political accountability. Weiler's differentiation of a 'formal' and 'social' legitimacy will be utilised and further expanded on in discussions relating to both.

Bearing in mind then, that there are unique idiosyncrasies (and intricacies) which are very specific to the EU in a discussion of legitimacy, one can apply the five dimensions of legitimacy as a guide for exploring this yet unpaved road of European integration. Table 1.3 presents the dimensions of legitimacy as they are here interpreted to apply to the European Union. The unavailability of precise terms and language to describe the European Union at present often requires those who study it to carve out their own framework in the absence of appropriate existing formulas. The theoretical scheme composed of five dimensions suggested in this study is quite flexible and can be adopted to suit the particular case under discussion.

62*Ibid.*, p. 19.

Dimensions of the Legitimacy Problem	Supranational Level: European Union
(a) "Democracy"	"Democratic Deficit;" a look at the organs of the EU; EU lobbying; subsidiarity
(b) Economic Environment	EMU and EU legitimacy; can the SEM initiative and EMU lead the EU competitively into a global world market arena?
(c) Welfare State	Vast majority of Europeans see scientific & development policy (i.e., environmental policies) best confronted -- more efficiently -- with EU help. European public has become convinced that technical solutions are best sought at with EU assistance, but not social welfare policies (i.e., health & education policies)
(d) Civil Society	"Common European Social Space" 1989 Social Charter 1992 TEU, Agreement on Social Policy public (European) consensus, knowledge, and awareness about the 'social' is weak
(e) Security and Defence	Obstacles in creating a *Common Foreign and Security Policy*, especially since geopolitics results in different concerns among EU members. There remains the question of the role of other organisations: NATO, WEU (Western European Union)

Table 2.3 Dimensions of the Legitimacy Problem Applied to the European Union

2.3.1 Democracy

The lack of democratic procedures in policy decision-making and policy implementation at the EU level has been the topic of much recent discussion, particularly in the post-Maastricht era and following the June 1994 Euro-elections which elected 567 members to a new European Parliament, and in January 1995 a new President of the Commission was appointed and indeed a new European Commission expanded from seventeen to twenty Commissioners. The catch all phrase 'democratic deficit' has been used to refer to the gap which has developed as more competencies are transferred from the national level to the EU level but without the accompanying degree of democratic accountability which could

effectively legitimise this transference of power. As was argued in Chapter One, the lack of satisfaction felt among citizens of the EU as to whether democracy in their own countries was operating as they desired is demonstrable by looking at EUROBAROMETER surveys. Negative feelings can be observed towards the operation of the EU as well, albeit in a different way, since people hold different expectations of their national government than they do of the EU, and EU processes and undertakings remain quite remote for most citizens.

However, the concern at the foreground of discussion is that "... the European Union is failing to win support from its citizens for measures carried out in their name and, ostensibly, for their benefit."[63] This hits at the heart of the problem which lends itself directly to the question of political legitimacy. The EU, in terms of how decisions are taken, cannot be said to be functionally operating along democratic lines (see Diagram 2.1: Political Aspects of EU Legitimacy). Although it is impossible to comprehensibly explain the inadequacies of the EU as regards its internal operation in this study, some remarks will be made to demonstrate where the main organs of the EU (European Parliament, Commission, Council of Ministers, and European Court of Justice [ECJ]) either enhance or debilitate legitimacy. Chapter Three of this study will explore specific EU policy areas in order to explain how decisions are taken and how this relates to the EU's problem of legitimacy. Here a look at the institutions of the EU and their formal operations will enlighten a discussion of the practical duties of EU organs.

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63 *Financial Times*, editorial, 20 September 1994.

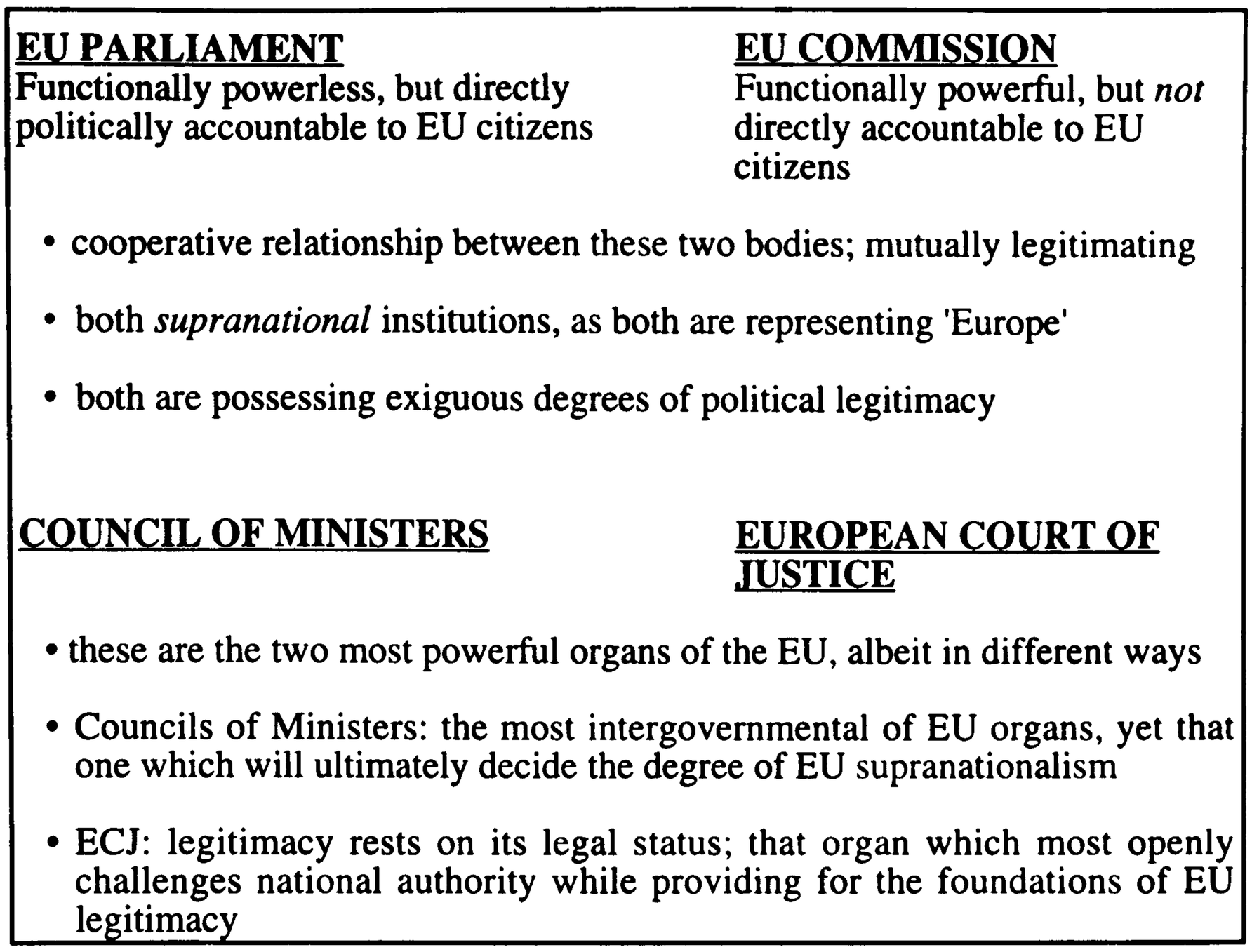

Diagram 2.1 Political Aspects of EU Legitimacy

The most obvious starting point for a discussion of the organs of the EU and the role they play vis-à-vis the legitimacy question is the European Parliament (EP), which most recently has attempted to use its newly acquired powers to exert more pressure within the EU decision-making process so as to voice its opinions effectively (as well as supposedly close the 'democratic deficit').[64] This organ of the EU, however, despite its post-TEU consultative and co-operative powers, primarily remains an advisory organ only.[65] What must be kept in mind is that the EP is not a proper legislature (as compared with a parliament on a national level, for instance) since it does not have any formal mechanisms -- or channels -- for initiating legislation.

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[64]Almost all literature which refers to or analyses the 'democratic deficit' within the EU suggests that the EP will need to acquire more powers if there is any hope of this gap receding. *See*, David Martin's, "European Union and the Democratic Deficit," (UK: John Weatley Centre, "Occasional Paper") 1991; Shirley Williams, "Sovereignty and Accountability in the European Community," In *The New European Community*, Robert O. Keohane and Stanley Hoffman, eds., (Boulder Colorado: Westview Press) 1981; Martin Holland, *European Community Integration*, (London: Pinter Press) 1993; and David Coombes, "Problems of Governance in the Union," In *Maastricht and Beyond*, Andrew Duff, ed., et. al. (London: Routledge) 1994.

[65]But they have tested out their newly acquired powers as was indicated in the narrowly confirmed affirmative vote in the 1994 election of the president of the Commission -- Jacques Santer -- 260 to 238 with 23 abstentions. Lionel Barber, "Santer wins grudging vote from Euro-MPs," *Financial Times*, Friday, 22 July 1994.

The EP's interrogation of new Commissioners in January 1995 reveals as well that MEP's are set on using their influence to the maximum.

Two of the EP's most formidable powers are in fact financial: its ability to change and/or influence the budget which is submitted by the Council and the Commission; and its ability to reject the budget in total.[66] But the EP has no power whatsoever in overseeing any of the other organs of the EU (i.e. the Council of Ministers or the Commission) and thus there can not be said to be any checks and balances formula at work.[67] Having stated that, however, it seems somewhat ironic to mention that the EP is the only organ which has direct accountability to the citizens of the Union (since 1979 its members have been directly voted in). The other organs of the EU do not have (and have never had) any independent political legitimacy nor accountability in any directly 'democratic' sense.[68] Thus "the ultimate locus of political authority and the source of democratic legitimacy [in the EU] remain obscure."[69]

Clearly, however, of all the relationships among the organs of the EU that can be examined, there is much more of a cooperative relationship between the EP and the Commission[70] since both can be described as supranational institutions and both perceive the Council of Ministers as their natural rival, since the Council is seen as the most intergovernmental institution within the EU and that one which wields the most powers of decision-making. The EP and the Commission also find themselves rubbing shoulders more often, as Commissioners are often represented in EP committees, answer questions in Parliament, and they present their annual programme to the Parliament for debate. The relationship between the EP and the Commission is definitely more one of cooperation, and since the signing of the TEU, there has been more synchronisation and consultation between these two bodies.

Moving on to the Commission, what stands out about this organ vis-à-vis its relationship to the question of legitimacy is that its members are selected by national

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[66]Martin Holland, *op. cit.*, p. 100.

[67]Kevin Featherstone claims, for instance, that the EP should be given such powers as that of electing the Commission, or electing the Commission from its own personnel, and having the ability to dismiss individual Commissioners. *See*, Kevin Featherstone's "Jean Monnet and the 'Democratic Deficit' in the European Union," *Journal of Common Market Studies*, Vol. 32, No. 2, June 1994, p. 166.

[68]*See*, Helen Wallace's "European Governance in Turbulent Times," In *Economic and Political Integration in Europe*, Simon Bulmer and Andrew Scott, eds., (Oxford: Blackwell Pubs.) 1994; and Juliet Lodge's, *The European Community and the Challenge of the Future*, (London: Pinter Publishers) 1993, esp. ch. 12, for more comprehensive discussions of these issues.

[69]Juliet Lodge, *op. cit.*, p. xxiv.

[70]Although some are of the opinion that a cooperative relationship can be forged between national deputies and MEPs by setting up a committee in each member state that would deal with Community issues and affairs. *See* Shirley Williams, "Sovereignty and Accountability in the European Community," *op. cit.*

political leaders, and citizens have no say whatsoever as to who is appointed (the EP can only dismiss the Commission as a body). Therefore, the composition of this organ is not scrutinised by the public, as is the case with its president, who is decided upon in a vote in the Council of Ministers. The fact that its members are non-elected, and the reality that this organ wields a substantial amount of supranational power, are two clear examples of where the legitimacy gap can be found. The Commission plays both an administrative and executive role, especially since the SEA which amended Article 145 of the EEC Treaty and "confer[s] on the Commission, in the acts which the Council adopts, powers for the implementation of the rules which the Council lays down."[71] Having the ability to participate directly in policy-making and policy decisions within the EU has meant that the Commission remains one of the most powerful organs of the Union. Acting as the guardian of the treaties, the Commission also has acquired a kind of *bogey-man* character, since it has the power to report to the Court of Justice any infringements of the treaties made by member national governments.[72] Clearly the Commission was perceived by the founders of the Community as that institution that would lay the cornerstone for the development of a federal union. Needless to say, that idea has not materialised, but the Commission continues to play a very significant role in EU decision-making as more national competencies are being removed from national governments and are falling partially into the lap of the Commission as they are becoming competencies held jointly with the EU. During the 1996 Intergovernmental Conference to determine the future fate of the institutions of the EU, both the EP and the Commission will be two of the most debated organs as they are presently possessing exiguous degrees of political legitimacy.

The other two main organs of the EU -- the Council of Ministers and the Court of Justice, hold unique positions within the EU, both having attained pre-eminent positions of power in very different ways. The Council holds two contradictory roles of being the most intergovernmental institution within the EU on the one hand (its members are to speak on behalf of individual member states), and on the other hand possesses the ultimate power to propel further integration and decide upon the extent of EU supranationalism. As is the case with the Commission, the Council has both an executive and legislative function within the EU, but unmistakingly has the upper hand as the locus of decision-making power. The Council, whose members are

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[71] *Single European Act*, Article 10, *Treaties Establishing the European Communities*, (Luxembourg: Office for Official Publications of the European Communities) 1987, p. 542.

[72] Greece quite frequently finds itself with a case pending in the European Court of Justice and holds the ignominious distinction of having been the first EU member state to be taken to the ECJ in the post-Maastricht era while holding the Council Presidency.

made up of national leaders, has legitimacy in so far as these national officials have been voted into power by their citizens and are perceived to be representing their nation's interests within the EU. But Council discussions (described by many as *wheeling and dealing*) are cloaked in secrecy and lack both openness and transparency, as will be discussed in Chapter Three. Likewise observers of the Council point out that there seems nothing very *democratic* about the national veto which still remains a prerogative of Council members, and which caused a stir when John Major vetoed Mr. Dehaene as a possible replacement for Jacques Delor as Commissioner president at the Corfu Conference in June 1994. This method of choosing a Commissioner president (a position which has become one of the most powerful in Europe) behind closed doors created a great deal of publicity as well as animosity, especially among MEPs who have come to realise that they effectively wield no power to influence the Commission make-up nor can MEPs be said to *represent* in any substantial way the 372 million citizens of the Union.

The European Court of Justice, on the other hand, is an organ whose legitimacy rests on its legal status and its authority to decide on rulings and uphold Community law. National courts must conform to Community law, thus Community law takes preference over all forms of national legislation. These features of the ECJ more than any other challenge the authority and sovereignty of the nation-state, while at the same time provide the foundation for EU political (or what Weiler terms 'formal') legitimacy.[73]

The ECJ over the years has continued to provide cohesion and an element of supranationalism which is often overlooked by those observing the institutions of the EU. It has developed into a powerful organ and a decisive actor within the Community integrative process, and its decisions concerning a wide range of issues -- from human rights to fishing rights -- have left a permanent mark on the integrative process and the federalist nature of the EU.

A brief discussion of the main institutions of the EU highlight some of the areas where the political legitimacy gap is lurking within the internal operations of the Union. A more comprehensive picture of legitimacy, however, can perhaps be arrived at by considering other devices which have been utilised to redress this

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[73]*See also* the empirical study done by Gregory A. Caldeira and James L. Gibson, "The Legitimacy of the Court of Justice in the European Union: Models of Institutional Report," *American Political Science Review*, Vol. 89, No. 2, June 1995, pp. 356-376. These two authors explore the question of political legitimacy of the European Court of Justice by using a survey compiled in September 1992 that attempts to detect various attitudes and awareness of and support for the ECJ.

legitimacy gap. One of the forums for citizen input at a Community level, for instance, has taken the form of a European lobbying arena. Since the signing of the SEA in 1986, more organisations and interests (such as environmental groups, and financial and business associations) have sought after particular EU Commissioners in an attempt to influence specific policy outcomes in their respective areas of interest. However, many lobbyists go to Brussels without an adequate understanding as to how decision-making takes place within the EU, and are therefore not very successful. What this amounts to is that there is a very large 'information deficit' which needs to be addressed with the same urgency as that of confronting the lack of democratic procedures. Too few citizens are knowledgeable about how the EU operates and the means by which they can influence the policy-making process at the EU level.

The principle of subsidiarity has also been employed as a way to create a sense of legitimacy for the EU in the post-TEU era while at the same time striving to diminish the 'democratic deficit' by bringing the decision-making process closer to citizens. Although there are varying interpretations as to what subsidiarity means in practice, the way by which it is incorporated into the TEU is as a principle whereby "decisions are taken as closely as possible to the citizens."[74] However, elsewhere within the TEU, subsidiarity is portrayed as a device for setting limits on Community competencies.[75] It is argued, therefore, that subsidiarity is presented within the TEU as both a substantive principle and as a procedural criterion.[76] The varying interpretations of what subsidiarity means in practice, therefore, has weakened its sense of legitimacy since few can agree on exactly what it means and how to implement it. Fundamentally, however, subsidiarity at the nation-state level necessitates a devolution of the decision-making process from the central administration to lower echelons of government. This presupposes that there are the basic structures in place for such a displacement of power. As will be shown with the example of Greece, which is indicative of a centralised state with a weak civil society, there are very few levels of government below that of the central government, and it has been only since the local elections held in the autumn of 1994 that Greeks have had the opportunity to vote into office prefecture councillors.

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[74]*Treaty on European Union*, Title I, Article A "Common Provisions."

[75]*Ibid.*, Title II, Article 3b.

[76]*See*, Andrew Scott, et al. "Subsidiarity: A 'Europe of the Regions' v. the British Constitution?" *Journal of Common Market Studies*, Vol. 32, No. 1, March 1994, pp. 47-61, for a comprehensive discussion concerning this issue.

As concerns the principle of subsidiarity, then, where there is a higher degree of a devolution of power to lower levels of government, particularly on a regional level, as is the case in Germany for example, then one can speculate that the idea of subsidiarity can function more efficiently in bringing decision-making closer to the citizens. It is quite clear, however, that central governments fear losing power and often create formidable obstacles so as to hinder this devolution of power (i.e., as was the case in the UK during the Thatcher years). Reserved optimism can perhaps be expressed for member states such as Greece in utilising such a principle, since there exists no precedent of decentralisation which effectively gives independent powers of decision-making to local authorities, and other intermediary pressure groups and associations which are independent of any of the major political parties still remain in their infancy.

Another structure which has been created in the post-TEU era to alleviate the remoteness of the EU is the 'Committee of the Regions.'[77] This Committee was created to allow the various regions within the EU member states to express their opinions to the Council and the Commission concerning projects to be implemented in their localities. The hope is that this will facilitate better communication between the particular regions which have been targeted for EU Structural Funds and the Commission, while at the same time bringing the EU 'closer to home.' However, the *Committee* was established and given 'advisory status' only, which amounts to very little functional power to considerably affect EU policy decisions taken for their benefit, supposedly. Therefore, neither subsidiarity nor the 'Committee of the Regions' have been able to close up the EU 'democratic deficit' as was intended by the framers of the TEU.

Democracy can thus be cited as a constituent element in a contemporary discussion of legitimacy. It is a leading force in establishing the determinants of legitimacy, both on a national level and in the EU. It is quite possible, as some have remarked, that the more profound reality which needs to be confronted as we enter the twenty-first century is that the 'democratic deficit' found within the EU is simply a reflection of the failure of twentieth century *democratic* nation-states to establish what David Coombes has expressed as 'good government.' He writes:

> In practice, not all, or even any, member states of the European Community may be considered capable in their present form of attaining the standards of good government implied by classical constitutionalism. This could be one explanation for their failure to

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[77] *Treaty on European Union*, Title II, Article 198.

> apply those standards also on a European scale. In other words, the failure of European federalism as a contemporary project may be more closely associated than is normally imagined with a corresponding failure of the national state in its modern form.[78]

Others promoting the idea of a federal union have claimed that only a European Union constitution, laying down formal principles, can solve the 'democratic deficiency' problem that the EU is currently facing. Some have even proposed a 'democratic baptism,' calling for a kind of constitutional convention as a means of adopting a European Union constitution which could arouse the necessary degree of popular support and participation which would be needed for such an endeavor.[79] In any case the 'democratic deficit' has now been recognised as an important concern which the EU can no longer ignore nor simply partially address. Action is immediately needed to combat what is being exposed as a major weakness of the Union which intimately affects its degree of perceived legitimacy.

2.3.2 The Economic Environment

More than any other area of coordinated policy within the Union, the economic sphere has been perceived as that area which can facilitate the integrative process and create the necessary impetus to drive Europe forward. With the signing of the Single European Act (SEA) in 1986 and its implementation on July 1, 1987, Europe moved determinedly towards the 1992 initiative which was thought to functionally achieve at last a single internal market for the free movement of goods, persons, services and capital throughout member states. Needless to say, strides toward economic integration were taken previous to the SEA, back in the late 1970's with the EMS (European Monetary System) and the inception of the ECU (European Currency Unit). But it was not before the signing of the SEA that these forerunners of economic integration would be given due attention. The culmination of these endeavors was the signing of the Treaty on European Union in Maastricht on 7 February, 1992 which established the EMU (European Monetary Union) and set the date for the final entry into the EMU as 1 January 1999, or as soon as 1997 (if a majority of member states are able to fulfill the necessary economic conditions required).[80] The TEU likewise established a series of other measures to be adopted

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[78]David Coombes, "Problems of Governance in the Union," In *Maastricht and Beyond*, Andrew Duff ed. et al. (London: Routledge) 1994, p. 177.

[79]*See* Albert Weale, "Democratic Legitimacy and the Constitution of Europe," In *Democracy and Constitutional Culture in the Union of Europe*, Richard Bellamy, et al. ed. (London: Lothian Foundation Press) 1995, pp. 81-94.

[80]*Treaty on European Union*, Title II, Article 109j.

in the final stage of economic and monetary union, including a European System of Central Banks (ESCB), and at the core the ECB (European Central Bank);[81] a European Investment Bank;[82] and most contentious, a single currency, with fixed exchange rates. Along with these provisions is the 'Common Commercial Policy,'[83] which "... shall be based on uniform principles, particularly in regard to changes in tariff rates, the conclusion of tariff and trade agreements, the achievement of uniformity in measures of liberalization, export policy and measures to protect trade ..."[84] The TEU's most inspiring feat, however, was perceived to be the creation of a *Union*, with the three European Communities acting as the main pillar, the CFSP as the second pillar, while the third being 'provisions on cooperation in the fields of justice and home affairs.'[85] Clearly, however, economic and monetary union has become the outstanding characteristic which will perhaps inevitably be that which makes or breaks the Union. Whether the EU member states are able to achieve economic and monetary union, nonetheless, will be partially determined by forces outside the EU -- global economic conditions -- which are much more difficult to predict.

Having established that examining the EMU is like trying to hit a moving target, some implications of EMU as they relate to legitimacy will be attempted here.[86] The EMU will as well be brought up in Chapter Three when examining the policy-process in the EU. First, the most obvious implication of the EMU and its final completion is that member states will lose their autonomy in these areas, i.e., in making monetary and macroeconomic decisions.[87] Those promoting economic integration, however, note that what will be gained is much more important for European economies, namely, the ability to create common macroeconomic policy which will have such favourable effects as creating a single currency which " ... substitutes the discipline of the foreign exchange market with the discipline of the bond market."[88] The question of whether these economic policies can be legitimised to the citizens of the Union, however, most likely depends upon whether

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[81] *Ibid.*, Title II, Article 4a.

[82] *Ibid.*, Title II, Article 4b.

[83] *Ibid.*, Title VII.

[84] *Ibid.*, Title II, Article 113, p. 44.

[85] *Ibid.*, Title VI.

[86] *See* Thierry Naudin's "The Feel-Good Factor That EMU Ignores at Its Peril," *European*, 9-15 November 1995, for a discussion of the public's view of EMU and what this means for EU economic integration and the completion of a single currency.

[87] There is of course the question of whether or not member states presently *control* their economies, or whether global forces long ago took over the role of deciding macroeconomic policy.

[88] "Unity By Market Force," *Wall Street Journal*, Oct. 14, 1994.

they are successful or not. Currently, of the full members of the EU, only Luxembourg meets the necessary criteria as outlined in the TEU for economic convergence.[89] Whether the other member states will be able to meet these requirements remains to be seen (Greece, for example, is far behind even according to optimistic forecasts).

Second, the ESCB will bring with it a degree of monetary federalism which is unprecedented in the history of European integration. The question again arises as to how to converge such diverse economies found at various levels of development and growth. True, the transition period incorporated within the TEU was purposefully placed to smooth over economic differences and allow for the less developed economies to catch up with the more advanced. But this does not appear to be sufficient to close up the huge gap between the developed north and the less developed south. It seems unfeasible as well to believe that you can have a federal-type monetary and economic policy while simultaneously having intergovernmental-type decision-making for political and social policies: that is like having an animal with one type of paw in the front, and another type in the back -- it will not stand for long. As Loukas Tsoukalis has pointed out:

> ... the new treaty [TEU] has left several important questions unanswered; or at least, the answers provided are not entirely convincing. They refer to the costs and benefits of EMU in a Community which is still characterized by a high degree of economic diversity and relatively limited political cohesion; and also in a Community where political institutions fall far short of economic ambitions.[90]

Lastly, returning back to the issue of a single currency and the question of legitimacy, one can observe a very significant reality which could materialise out of the development of a single currency: namely, that national leaders will find themselves much more accountable for their national deficits, and thus how they spend taxpayers' money. Under a single currency and fixed exchange rates, there will no longer be pressure coming from foreign exchange markets to impinge upon national politicians. This means that national politicians will be solely responsible -- and accountable -- to their citizens for national spending and the matter of the

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[89]The four main criteria are: (1) government debt not exceeding 60% of GDP; (2) government deficit not exceeding 3% of GDP; (3) inflation rate not more than 1.5% above the average of the three members with the lowest rates; and (4) exchange rate stability based upon the performance of the member state currency over a period of two years prior to the final assessment. See *Protocol on the Excessive Deficit Procedure*, Article 1, and *Protocol On the Convergence Criteria Referred to in Article 109j of the Treaty Establishing the European Community*, Article 1 and Article 3, annexed to the TEU, *op. cit.*

[90]Loukas Tsoukalis, *The New European Economy*, (NY: Oxford University Press) 1993, p. 227.

national deficit.[91] Ultimately, this could affect a particular administration's legitimacy to a great extent, and certainly tighten the slack between the governors and the governed.

Finally, more generally, whether the EU is perceived of as legitimate in terms of economic performance will greatly depend upon whether it can propitiously confront Europe's unemployment woes while at the same time aggressively compete in a global market arena. The EU Commission's "White Paper" on *Growth, Competitiveness, Employment* was written for the purpose of doing just that: "to assist decision-making -- at a decentralized, national or Community level -- so as to lay the foundations for sustainable development of the European economies, thereby enabling them to withstand international competition while creating the millions of jobs that are needed."[92] If these economic goals can be achieved, then certainly the EU's legitimacy, as concerns its management of economics, could substantially be strengthened. If global economic pressures continue to plague European economies as they have during this last decade of the 20th century, then one can suppose that the question of legitimacy will be at the forefront in any further understanding of the EU integrative process and of member nation-states.

The economic life of a nation-state has continued to be a particularly pressing concern for both politicians and citizens. Economics is something which affects citizens intimately and one which tends to motivate citizens to act. It remains to be seen if the EU and those promoting economic and monetary union can realise their goals through the EMU as outlined in the Treaty on European Union. What will likewise be soon evident is whether the EU's goals are in synchrony with a changing global economic environment which continues to expand as new economic actors are entering from the East and abroad. The EU's enlargement to fifteen members also poses particular economic challenges in coordination and synchronisation. Economic and monetary integration, therefore, appears closely tied to understanding the future direction of the EU as well as its sense of legitimacy.

Reports in the media during the first four months of 1996[93] began to indicate that member citizens of the Union were becoming weary of the possible fall-out from a

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[91] "Politicians will have to bear the pain of increased deficits themselves, not spread then like a bad cold to the nation's corporations. " "Unity By Market," *op. cit.*

[92] Commission of the European Communities, *Growth, Competitiveness, Employment: The challenges and ways forward into the 21st century*, White Paper, (Luxembourg: Office for Official Publications of the European Communities) 1993, Preamble.

[93] *See* particularly the printed press from 22 January to 30 January 1996 which almost daily carried reports on the prospects of developing a viable EMU.

single European currency. German citizens in particular[94] have expressed their doubts about the EMU (as have some senior German politicians[95]) as high unemployment rates in that country have created worries among citizens as to whether or not unemployment will further increase as a result of the fall-out affects of the EMU. Therefore social misgivings are beginning to surface among the citizens of the Union and a public realisation is setting in that some people have much to gain from a single currency and some may have much to lose.

2.3.3 Welfare State

The question of the rise of the welfare state and its connection with legitimacy has stirred lively debates most recently within academia as well as within European political circles. As has been discussed, there are those who have focused on the modern capitalist state and its internal legitimacy dilemmas, others who have associated the issues of welfare with the discussion of the private versus the public debate, and still others who emphasise the importance of social citizenship and the welfare state. However, analyses of the welfare state and how its future will be affected by an evolving political order such as that of the EU are far and few between and indeed seem worthy of exploration.

Esping-Andersen's three regime-type clusters (liberal, corporatist-statist, and social democratic) have been used by those attempting to discuss the various types of welfare states found among EU member states.[96] Stephan Leibfried has expanded Esping-Andersen's *Three Worlds of Welfare Capitalism* and added a fourth -- 'Latin rim' countries -- which include Spain, Portugal, Greece, southern Italy, and some parts of France.[97] Leibfried examines the obstacles associated with an attempt to forge a 'European welfare state' by concentrating on European poverty and the various ways in which EU member states have dealt with this issue. His analysis clearly points to the many difficulties which must be confronted if any type of meaningful coordination is to occur in the field of social policy. At present there is no such thing as an EU welfare state, and the vast differences found among the characteristics of EU member states will most likely prohibit the formation of a

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[94]*See* EUROBAROMETER surveys, nos. 41-43 which reveal that more than fifty per cent of Germans polled are 'against' the proposal for a single currency. *See also The European*, 2-8 May 1996 for results of a recent poll which confirms that a majority of German's polled are against a single European currency.

[95]*See Financial Times*, 16 January 1996.

[96]Gøsta Esping-Andersen, *The Three Worlds of Welfare Capitalism*, (Princeton, NJ: Princeton University Press) 1990.

[97]*See*, Stephan Leibfried's, "Towards a European Welfare State?" in *New Perspectives on the Welfare State in Europe*, Catherine Jones, ed., (London: Routledge) 1993. p. 133-156.

harmonised and universally acceptable social policy which is a necessary prerequisite for a *common* European welfare state formation. As Leibfried states:

> Modern, institutional, residual and rudimentary welfare states start from rather different, in some cases contradictory, goals and are built on quite disparate intervention structures; and they do not share a common policy (and politics) tradition that could serve as a centripetal force. In any case, this divergence of regimes does not lend support to the notion that a European welfare state might grow via automatic harmonization, building from the national towards the EC level. A 'bottom up' strategy for EC 'social integration' policy seems stillborn.[98]

What is evident, then, in terms of an analysis of the welfare state and the EU is that there are formidable difficulties in attempting to catapult a *common* social policy among EU member states (as three new members joined the EU in 1995 and as others are applying for membership) which have such diverse historical and structural traditions. Yet at the same time, the welfare state, formed and particularised throughout this century, has become debilitated as economic competencies once held by member nation-states move on to the EU level.[99] Thus there appear to be two occurrences running in parallel: on the one hand we see the EU member state unable to sustain the degree and extent of welfare benefits once promised to their citizens which laid the basis for *social citizenship* on a national level, and on the other hand we witness the EU (and those promoting further integration) holding high hopes of creating a social Europe but without the functional degree of legitimacy (or money) required to forge such an ambitious project. The nation-state, perceived to be the legitimate repository for welfare concerns, can no longer dispense them as demanded by their citizens. Alternatively, the EU is unable to mold together a framework for a common welfare policy which would be acceptable to all member states. This dilemma of the welfare state brings into focus an immense conundrum for EU policy-makers, articulated by Richard Rose who notes that:

> [t]he European Community can make respect for priceless civil and political rights a condition for membership, but it cannot confer upon its 320 million citizens a right to equal benefits in education, health care and social security, for there is no political consensus for the massive redistribution of income that this would require between Northern and Southern Europe, and in future between Western and

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[98] *Ibid.*, p. 143.

[99] "Without an EC welfare state, in the long run, regional, national welfare regimes will be in atrophy: their economic legitimatory bases would slowly erode with the completion and further development of the Common Market -- ..." Stephan Leibfried, *op. cit.*, p. 139.

> Eastern Europe. There is not even a consensus about what the appropriate standard of social welfare ought to be.[100]

A look at EUROBAROMETER surveys from 1992 and on (post-TEU era) reveals some noteworthy trends exhibiting European opinions as to which areas of competence they consider to be appropriate for the EU and which they do not. Consistently these surveys reveal that a vast majority of those asked believe that scientific and development policies -- environmental policies, scientific and technical research, and the fight against drugs -- can be best handled in a joint EU decision-making arrangement.[101] In other words, there appears to be a general agreement held among European publics that technical solutions are more efficiently and effectively undertaken with EU assistance. Yet when one examines such policy areas as workers' safety, cultural policy, worker participation, health and social welfare and education, what emerges is that these areas are overwhelmingly perceived to be *national* competencies (more than half the population citing them as areas where joint decision-making with the EU is inappropriate).

But perhaps we walk down the wrong path in trying to decipher what policies should remain on the national agenda, and which are those that can be conceded to the EU. Perhaps, as Albert Weale aptly has put it: "... the issue is not what sort of welfare policies will the EU develop, but whether the EU can develop particular sorts of policies that have hitherto been characteristic of the nation state."[102] Presently, if the EU is to attempt to develop social policies that go beyond the technical or scientific, then the European public will have to be convinced that they can be best dealt with at that level. There currently, however, does not appear to be popular legitimacy for such a manoeuvre -- neither on the part of national leadership, nor with the general public. However, there is a general recognition on the part of Europeans that concerns such as environmental pollution can be competently dealt with in cooperation with the EU, and in fact perhaps on a multi-tier level of governance and decision-making (stretching from local to global). Therefore, there is

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[100]Richard Rose, "Bringing Freedom Back In," in *New Perspectives on the Welfare State*, Catherine Jones, ed., *op. cit.*, p. 226.

[101]*Compare*, EUROBAROMETER Nos. 38-43. The actual question is worded as follows: "Some people believe that certain areas of policy should be decided by the (NATIONAL) government, while other areas of policy should be decided jointly with the European Community/European Union. Which of the following areas of policy do you think should be decided by the (NATIONAL) government, and which should be decided jointly with the European Community/European Union?" EUROBAROMETER # 41, A34.

[102]Albert Weale, "Social Policy and European Union," *Social Policy and Administration*, Vol. 28, No. 1, March 1994, p. 6.

a precedent for EU social *regulations* but not for a comprehensive EU social *policy*.[103]

The transmutations occurring within the welfare state are indeed numerous and significant, both for the future form the welfare state will take as well as for how this will influence the question of legitimacy and the EU. What contribution the EU will make to this debate depends largely upon the importance it is given within the confines of the EU and how it is seen to affect the policy-making process. A few hints as to where some of the problems lay have been mentioned here, although a much more comprehensive investigation of the welfare state and the EU would be needed to reveal the challenges facing both ahead.

2.3.4 Civil Society

The particular concept of civil society is one which perhaps best reveals the inadequacy of simply applying national characteristics to a political form that is *beyond* (developing both above and below) that of the nation-state. Yet at the same time, analyses concerning the EU as they refer to legitimacy often bring up the very point that what is most lacking of the EU is popular acceptance, i.e., some kind of social element which could 'personalise integration' for the citizens of EU member states.[104]

A discussion of the social aspects of the EU seems warranted, then, if for no other reason than that is what the EU appears to be most bereft of, thus making it an issue innately related to the question of legitimacy.

For those trying to promote further social EU integration, steps were taken in the late 1980's to attempt to propel some sort of 'common European social space,' which was given a concrete form in the creation of a 'common citizenship' found within the TEU.[105] This common citizenship has come to mean that all citizens of EU member states share some basic rights and freedoms. In more functional terms, EU citizenship has effectively been ascribed to electoral issues, which, for the first time

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[103]For a discussion of the differences between EU social policy and social regulation, *See* Giandomenico Majone, "The European Community Between Social Policy and Social Regulation," *Journal of Common Market Studies,* Vol. 31, No. 2, June 1993, pp. 153-170.

[104]*See*, for example, Juliet Lodge, *The EC and the Challenges of the Future*, (London: Pinter Publishers) 1993; Mark Wise, *et al. Single Europe to Social Europe,* (UK: Longman Group Ltd.) 1993; Martin Slater, "Political Elites, Popular Indifference and Community Building," In *The European Community: Past Present and Future,* Loukas Tsoukalis, ed. (UK: Basil Blackwell) 1983.

[105]*Treaty on European Union*, Title I, "Common Provisions," and Title II, Part Two "Citizenship of the Union."

in the June 1994 Euro-elections permitted residents living in a member state of which they were not nationals to vote and stand as a candidate in that member state (this applying to municipal elections as well). Other specifications pertaining to EU citizenship outlined in the TEU concern legal attributes such as protection by any member states' consul or diplomatic mission in third countries where these are not found from one's own nation-state; the right to petition the EP; the right to apply for the office of Ombudsman, etc.[106]

These measures established within the TEU were specifically designed to act as a functional propeller forging a sense of European identity among citizens of the Union. The belief was that shared legal rights and obligations would assist in the creation of a 'common' social space, which was seen by many, especially those with a federalist vision for the EU, as the first steps toward a supranational social environment. The neofunctionalist notion of spillover, in effect, was to become visible within the social environment, particularly following the establishment and implementation of the Single European Act (SEA) (which gave the Community added competencies in the area of social regulation) and the Single European Market (SEM) initiative.

The reality in Europe, however, has not reflected these ambitious social designs. The idea that common citizenship, as defined in the TEU in limited legal terms, would produce the hoped for spirit of *acquis communautaire* has not materialised. Needless to say, an evaluation of whether EU citizenship can truly further social integration in Europe stretches back to debates about what citizenship is and whether it evolves over time or whether it is possible to create a sense of social identity by simply having citizens legally accrue civic and political rights.[107] There are those on one side of the debate who strongly believe that the provisions for EU citizenship set out in the TEU, although providing for a legal identification, will set the stage (in time) for further movements in this direction and in any case has set an important federal precedent.[108] Those on the other side of the fence hold more reserved judgments as to whether EU citizenship will promote the kind of social identification which is a prerequisite for further social cohesion and social policy-making.[109]

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[106]*Ibid.*, Title II, Articles 8c-8e.

[107]*See*, Elizabeth Meehan, *Citizenship and the European Community*, (London: Sage Publications) 1993, for a detailed discussion, especially ch. 1.

[108]For example, Martin Holland's, *European Community Integration*, (London: Pinter Press) 1993.

[109]" ... how are we to understand a *community* which gathers under a principle of unity and common identity a number of individual and groups, which have already been defined and constituted according to territorial, ethnic, socioeconomic, cultural and other criteria of belonging, themselves

The split between these opinions, therefore, is over whether you can simply introduce legal measures to promote unity and standardisation and have this spill over into the social arena, or is it more appropriate to recognise that European societies are distinct and however much standardisation and synchronisation occurs via legal means, citizenship and social identification have meanings which are socially contextualised.[110]

The TEU also pledged to uphold the principles laid out in the 1989 Social Charter in the "Protocol on Social Policy."[111] The Social Charter covered such areas as child labour, maternity leave, equal pay for men and women, and health and safety in the workplace. The objectives set out in the Protocol, however, are very vague and do not add anything very new to the 1989 Social Charter or to the establishment of a common social space as will be revealed in Chapter Three which further explores the *Agreement on Social Policy*. But they were enough to steer the British conservative government of John Major to opt-out and even caused the Italian government under the premiership of Silvio Berlusconi in 1994 to re-evaluate Italy's participation in the Social Chapter.[112] There is much concern felt among national political leaders that common social provisions are economically unfeasible and will deter further Europe's competitiveness. Much convincing will need to occur to ensure national leadership that developing common social objectives is both wise and economically affordable.

Although one might assume that the citizens of EU member states are much more enthusiastic about the social dimensions of EU integration than are their national leaders -- perceiving the EU as a social safety net and perhaps providing them with social provisions which would not otherwise be offered by their national governments -- opinion polls continue to reveal that there is a very low level of knowledge and awareness about EU integration, particularly about the 'social' aspects of integration. This provides for a key element in the legitimacy equation. How can the EU *legitimately* introduce a social dimension if EU citizens are not

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forged in the course of a common history?" Etienne Tassin, "Europe: A Political Community?" In *Dimensions of Radical Democracy,* Chantal Mouffe, ed., (London: Verso) 1992.

[110]By law in Greece, for example, shops are now open all day in Athens, from 9 am to 5 pm instead of closing at 2 pm for siesta and then reopening from 5-9 pm as is the case in Thessaloniki and most other cities and villages in Greece. But you will rarely -- if ever -- find a crowded store in the capital at 4 pm, and even tourists and visitors seem to adapt to the local custom of rest and relaxation in the afternoon to be followed by continental dinners at 10 pm.

[111]*See*, "Protocol on Social Policy," annexed to TEU and the discussion of the same in Chapter Three of this study.

[112]Victor Smart, "Consternation as Italy Supports Britain Over Social Chapter," *The European*, 29 July - 4 August 1994.

aware of what this entails? Clearly a policy has to be visible for it to be perceived as legitimate. Moreover, the belief held by Euro-enthusiasts that the development of a common social space will facilitate a kind of legitimacy for other EU policies in the economic sphere also remains to be seen. It seems unwise to presuppose that social policies can be formulated on a common basis in the first place, as the case of the 1992 TEU Social Policy debate revealed; never mind that this would create the basis for *further* EU legitimacy. Obviously the social dimension of EU integration is important insofar as how EU member citizens perceive themselves within the Union, but it has not become evident that this can alone establish a firm ground for EU legitimacy.

Looking at the social dimensions of the EU discloses clues to explaining the idea of legitimacy and how this concept needs to be investigated as it applies to the EU. As it relates to the EU, there is a multiplicity of difficulties in establishing how a so-called *common social space* is to develop and whether this will have to evolve into some form of a common civil environment or whether this process can be accelerated by creating legal provisions to speed up the formation of some kind of social construction which could stretch beyond the nation-state. Both those promoting the idea that the social dimension will add the needed degree of legitimacy that is required to sustain the EU integrative momentum and those who are more uncertain as to how further social integration can add efficacy to the European project acknowledge that the social element is gaining in significance and is a variable which can swing the pendulum of public opinion.

As the EU has expanded its membership to include nation-states to the north and perhaps next to Eastern and Central Europe, a discussion of the social dimension and the notion of civil society will continue at the forefront of debates (most likely into the next century). This concept thus presents itself as one which inevitably will remain contestable, as well as integral for an understanding of legitimacy.

2.3.5 Security and Defence

Security and defence concerns, the final dimension of the legitimacy question to be applied to the EU, have been debated in the post-Maastricht era in terms of Title V of the TEU which sets out the 'Provisions on a Common Foreign and Security Policy.' Basically, the Common Foreign and Security Policy (CFSP) was interjected into the TEU to supply a symbolic movement of intent among the member states to coordinate more closely security and foreign policy concerns. The

intergovernmentalist character of Title V, however, is indisputable, since the CFSP escapes any jurisdiction from the European Court of Justice and clearly the Council is that institution which has actual decision-making abilities. The specifics concerning the objectives of the CFSP are also quite tepid, and include:

- to safeguard the common values, fundamental interests and independence of the Union;
- to strengthen the security of the Union and its Member States in all ways;
- to preserve peace and strengthen international security, in accordance with the principles of the United Nations Charter as well as the principles of the Helsinki Final Act and the objectives of the Paris Charter;
- to promote international cooperation;
- to develop and consolidate democracy and the rule of law, and respect for human rights and fundamental freedoms.[113]

Although the CFSP was intended to be one of the *pillars* of the Union, functionally speaking, it does not provide for any real effective power to be taken in the name of the *Union*. The EU Presidency is to represent the Union concerning matters that reside within the CFSP, and member states are to inform and consult with each other on questions and problems which arise in matters of foreign policy and security, but "[t]he TEU does not prevent or significantly discourage unilateral action by member states."[114] In fact, the wording concerning what the common foreign and security policy is to include and a time frame for it are equally as vague:

> "... all questions related to the security of the Union, including the eventual framing of a common defence policy, which might in time lead to a common defence."[115]

The language of Title V seems to reveal the difficulties of articulating and putting into practice any kind of common plan as it relates to issues of foreign policy and security. These are areas which both national leaders and citizens perceive to be national competencies, and although there can be said to be a degree of consensus as to the need to cooperate with member states in a world reflecting changing and possibly explosive events, coordinating a common foreign and defence policy will indeed be a formidable task. These matters directly challenge the nation-state's sense of sovereignty, and any EU policy which would encroach upon a nation-state's ability to act unilaterally in its defence would certainly be denied. Even in matters of foreign policy, the various members of the EU have diverse opinions as to how to confront conflicts on continental Europe as was evidenced in the inability of the EU

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[113]*Treaty on European Union*, Title 5, Article J.1.
[114]Juliet Lodge, *The European Community and the Challenge of the Future*, *op. cit.*, p. 247.
[115]*Treaty on European Union*, Title V, Article J.4.(1).

to help end the conflict which raged in the former Yugoslav Republics. The difficulties in coordinating an effective and united stance on the Bosnian conflict is the most recent and blatant example of the failure of the EU to take a decisive position on a foreign policy issue and act upon it. All member states agreed that the Bosnian question needed to be confronted, but there was no effective coordinated action on the part of the EU -- in the name of the EU -- to confront this conflict which exploded in the middle of the continent and which saw the USA -- as opposed to Europe -- taking more decisive steps in initiating and in maintaining what is still considered a fragile peace.

Along with the CFSP, security matters have also to be examined as they relate to the Western European Union (WEU) which has been targeted as the future defence arm of the EU.[116] Presently, ten EU member states are full members of the WEU (Sweden, Finland and Austria are still officially neutral); Denmark and Ireland are observer members; and as of 10 May, 1994, nine new associate partners have been included in the WEU -- three Baltic states and six Eastern/Central European countries. There has also been close coordination and communication between the WEU and NATO, but the WEU has been perceived of as an added strength to NATO rather than an eventual possible replacement of it. Close communication and coordination occurred between NATO and the WEU during the 1990-1991 Gulf War Crisis, when " ... the WEU played a role in attempting to work out an agreed European response by providing an umbrella under which states could contribute and in coordinating the activities of NATO's European members."[117] The WEU during the Gulf War also played a role in the naval embargo, and more generally reignited an interest in the WEU and its possible (and future) role in international affairs and European defence.

Nevertheless, functionally, both the CFSP and the WEU do not wield power to make critical decisions under the auspices of a *common* European initiative. Geopolitics, diverse histories and particular national interests and concerns stand between member states to the degree which prohibits any kind of *common* position to be cast and acted upon militarily, at least in the foreseeable future. By examining the degree of legitimacy which is required for a Common Foreign and Security policy to develop, one might be induced to ask whether or not there are the necessary

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116The fifty-year term of the WEU Treaty comes to an end in 1998. This effectively necessitates a re-evaluation of its future role within Europe.

117Trevor C. Salmon, "The Union, CSFP [sic] and the European Security Debate," in *The European Community and the Challenge of the Future, op. cit.*, p. 259.

prerequisites in the first place for such an endeavor. As Trevor Salmon has appropriately stated:

> The real issue, perhaps, is not institutional -- whether we have a joint integrated commands or corps, the lead played by NATO, WEU and the EU -- but whether there is an emergent identification of common political and security interests that guarantees unity. Effective institutions, alliances and policies in the CFSP area require potent military capability, a working consensus on the conditions under which the capabilities should be used and a credible willingness to act when agreed conditions exist. Do these exist?[118]

The underlying complexities of developing a coherent and constructive foreign and security policy for EU member states will also soon become further compounded since three new members joined in 1995. The accession of these states pose further challenges in synchronisation and coordination for the EU. When and if nation-states from Eastern and Central Europe come to officially join as full members, further complications will be added to the already long list of obstacles stifling the development of a fully comprehensive security and defence policy for the EU. And when and if such a policy is eventually procured, the question of legitimising it will be one of decisive significance in elucidating whether or not such a policy can successfully secure peace for Europe in the next century.

2.3.6 The 1996 Intergovernmental Conference

The issue of EU legitimacy today, in all its five dimensions, is emerging as a determining element in grasping the significance of the EU and possibly its future. In the wake of the 1996 Intergovernmental Conference (IGC), much debate has centred around the issue of EU legitimacy and how this will affect the ways in which the organs of the EU should be re-evaluated in the future. The 1996 IGC is now well underway and the main issues which have been discussed in committees previous to the opening of the Conference have determined already much of the content and organisation of the Conference. What remains to be seen is what will emerge from the Conference and what changes will be made to the TEU and how this will affect the EU's sense of legitimacy. Already discussions abound and diverse opinions are being expressed, ranging from those advocating a radical restructuring of EU organs and more synchronised integration leading to a federal type system, to those calling for a two-tier EU with a core set of EU member states leading integration to be followed by other members as they *catch up*. There are likewise those who are more skeptical and who claim that intergovernmentalism

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118 *Ibid.*, p. 268.

should (and ultimately will) be the guiding ideological force behind a larger EU. However, this IGC may last for as long as two years during which time various events may occur which makes it impossible for any predictions to be ventured at this point.

The EU as an evolving modern political, social and economic form remains unprecedented, and as a harbinger in its field, acts as an engaging vehicle for observation and investigation. In studying the issue of legitimacy within an EU member state, it is imperative to first explore the EU itself and elucidate the issues of legitimacy involved therein. This exercise can facilitate a keener understanding of legitimacy within member states and between the EU and a member state.

2.4 Nation-State vs. Supranational Union

One way to examine the national vs. the supranational debate that has begun to occupy social scientists is to focus on the struggle between national sovereignty on the one hand, and increasing areas of EU competence on the other. However, what must be kept in mind is that the European Parliament (EP) does not possess the powers of a national parliament (despite the increase in areas in which the EP can voice its opinion provided by the Treaty of European Union) and thus still remains to this day mostly an advisory organ.

Despite, however, the limited functional powers of the EP, a glance at the legitimacy question currently reveals that indeed a new conflict can be observed which involves a tug of war, basically over the question of power and control between the EU institutions and those of nation-states. On a different level, it appears that a new set of relationships have evolved between national actors and supranational actors vying for political power and a chance to influence the policy-making/decision-making process. It does not appear to be a question, however, of who is losing sovereignty to whom (not a zero-sum relationship) but rather a reshuffling of the very rules themselves. For example, at times national leaders find themselves wearing two hats: a national and a 'European' and are asked to act in both capacities. Certainly the Council of Ministers and their close advisers have found themselves in this position. Various organised interest groups within EU member states as well may today lobby Brussels with as much determination as they do their own national parliaments if they believe that this will influence policy decisions. Where the seat of power and control lies seems to be shifting back and forth and at different levels

(from national to supranational and then back from supranational to regional) and at different times.

An immense debate has thus been ignited as to whether the nation-state is being overtaken by the drive of supranationalism or whether it has maintained its steadfast position despite the pulls and pushes being felt from internal pressures as well as those emanating from the global environment. It is impossible to get into any detail about the particulars of this debate here, but this issue will be brought up again in Chapter Eight which will be concerned with the case of Greek national security and defence.

The new competencies that the EU hopes to acquire by implementing TEU policy objectives obviously challenges the existing conception of national sovereignty as we have come to understand this idea in this century, but this debate has just begun, and it does not seem likely that any drastic or definitive measures will be taken by the EU in the immediate future. This sensitive area will require much more contemplation and negotiation before any real agreement can be reached among EU member states as to an effective Common Foreign and Security Policy, for example.

2.5 The Greek State

The last two sections of this introductory chapter will endeavor to provide a general introduction to the modern Greek State and some background concerning Greece and the EU as well. Part II of this study will be devoted to the case of Greece where these questions will be explored in detail. The point here is to introduce specific features of Greece and its relationship with the EU for readers unacquainted with the modern Greek state and with modern Greek history.

An important date that is celebrated in Greece today as a national holiday is 25 March 1821 which marks the beginning of Greece's successful struggle for independence from Ottoman rule. Greece is the only EU member today that has an historical origin and influence from an eastern empire which makes her markedly different in many ways from her EU partners. These and other idiosyncrasies will be elaborated on in the second part of this study. For now, let it suffice to introduce various themes which will be picked up later on.

In 1828 the independent Greek state was officially declared, but at its inception the Greek state encompassed less than a third of the Greek population which was scattered throughout the Balkan region (and still under Ottoman rule). Although

Greece adopted a mode of western constitutionalism as its form of government, problems would appear at the start, as it became clear that it would be very difficult to graft on to a Greek traditional society modern (western) values. Greece had quite distinct experiences and values stemming from Ottoman rule which would be difficult to reconcile with western practices. In many cases in fact, practices of the past did not disappear but rather took on a modern disguise. The patron-client system which still persists in Greece today, for example, is one of the legacies from Ottoman rule that Greece has inherited. As Richard Clogg has explained:

> Patronage had originally developed as a kind of defence mechanism against the harshness, and particularly the arbitrariness, of the Ottoman system of government. There was a need for patrons and protectors to mediate with the Ottoman authorities and to mitigate the capriciousness of the judicial system. Many Greeks regarded the impositions of the new state as scarcely less oppressive than those of the Ottomans and values and attitudes shaped under Ottoman rule persisted into the independence period. Patronage, indeed, proved wholly compatible with the formal institutions of parliamentary democracy. The local *kommatarkhis* or political boss simply took the role of the Ottoman *aga*. Until modern times a parliamentary deputy has seen it not only as an obligation but as the indispensable precondition of political survival to secure favors for his voters.[119]

These aspects of the patron-client system, when seen in conjunction with the main characteristics of the Greek nation-state, provide some clues as to the distinctiveness of the Greek case and the question of legitimacy. One of the paradigms which has been used to explain the particularities of southern European states is that of patrimonial authority[120] which is based on the work of Max Weber and taken up by Richard Morse. Basically, the notion of patrimonialism is derived from one of Weber's ideal types of authority, namely, traditional authority. In his writings concerning the types of legitimate domination, Weber outlined several types of traditional authority, the three main ones being Gerontocracy, Patriarchalism and Patrimonialism.[121] As Weber wrote:

> *Patrimonialism* and, in the extreme case, *sultanism* tend to arise whenever traditional domination develops an administration and a military force which are purely personal instruments of the master. Only then are the group members treated as subjects.[122]

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[119]Richard Clogg, *A Concise History of Greece, op. cit.*, p. 63.

[120]*See* James Kurth, *op. cit.*, pp. 54-60 for a detailed discussion of patrimonial authority.

[121]Max Weber, *Economy and Society*, Vol. I, Guenther Roth & Claus Wittich eds. (LA. California: University of California Press) 1978, pp. 231-241.

[122]*Ibid.*, p. 231.

He goes on to define more specifically what he means by patrimonial authority a little later on in the passage: "Where domination is primarily traditional, even though it is exercised by virtue of the ruler's personal autonomy, it will be called patrimonial authority; ..."[123] James Kurth argues that "[a] corollary of patrimonial authority is patron-client politics. A patrimonial state can be seen as a great pyramid of patron-client chains, culminating in the top patron, the patrimonial ruler."[124]

It seems important to explain the characteristics of patrimonialism here, since many writers analysing the modern Greek state have argued that Greek institutions and practices have reflected many of the typical characteristics of a patrimonial state. For example, the modern Greek state is a highly centralised state, where the main social, political, and economic decisions are taken in Athens by the prime minister (which in Greece is usually the leader and president of the majority party in government) and a small group of cabinet ministers. Since the central government is primarily responsible for dispensing state resources, the patron-client system is easily perpetuated. State owned utilities and industries provide a stronghold for the central government, which wields a great deal of political power in decision-making. The state apparatus in Greece thus includes a huge bureaucracy (which will be discussed in some detail in Part II) where government officials place their loyal cadres in positions in return for their votes. Although modern governments over the past fifteen years from both of the main political camps -- PASOK and New Democracy -- have continuously stated that they will rid Greece of these traditional (and corrupt) practices, they continue unabated and thus have resulted in stifling the growth of modern socio-economic and political structures of the state.[125]

Another theoretical paradigm used to explain southern European politics and economics is based on an idea of dependency and underdevelopment (sometimes referred to as delayed development[126]), where southern European social, political, and economic structures are analysed behind a backdrop of retarded growth. The main argument espoused by these authors is that during the 19th century, southern

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[123]*Ibid.*, p. 232.

[124]James Kurth, *op. cit.*, p. 55.

[125]For a discussion of this problem of Greek inertia, *see* Lisa Dominguez, "Greece in the EU: Awkward and Backward," Paper published in the Proceedings of the Annual Conference of the Political Studies Association, (Belfast: Political Studies Association) 1995.

[126]*See* for example, Alexander Gerschenkron, *Economic Backwardness in Historical Perspective* (Cambridge Mass: Cambridge University Press) 1962. There are many authors who have written on this subject, including Latin American and central American authors such as Fernando Henrique Cardoso, Andre Gunder Frank, and Enzo Faletto. For the most comprehensive analysis of Greece from this perspective, *see* Nicos P. Mouzelis, *Modern Greece -- Facets of Underdevelopment*, (UK: MacMillan Press LTD) 1978.

Europe did not industrialise as quickly as the rest of western Europe, and in some cases like Greece, barely industrialised at all. When compared to the northern states of Europe at the time, such as the UK and Germany (which had developed industries and a strong economic base to sustain further growth), southern Europe was just beginning to experience a move towards industrialisation but certainly at a procrastinated pace. Southern Europe, including Greece, witnessed a much slower development of industry as well as a much slower development of civil society and its accompanying structures and institutions. Thus in an attempt to speed up the process of industrialisation when it did begin to occur, the state took on the role of the main motor steering the process. With the state as the *deus ex machina* and as the main employer, southern Europe forged ahead in an attempt to catch up with the rest of western Europe. As has been mentioned for the case of Greece:

> ... the state took on the function of promoting economic development, and attempted to encourage capital investment in Greece. It did so by both creating the necessary general conditions, and also by intervening in the economy in particular areas.[127]

What has occurred in modern Greece, then, is that the state has increasingly become more powerful and less limited in its scope due to a lack of organised interests and organisations (apart from political parties) that could act as a counterbalance to the state. When disagreement or disenchantment with central governmental policies occurs in Greece, for example, protesters immediately take to the streets, as the *legitimate* channels of communication between government and the public are extremely limited. Hence the traditional institutional arrangements and structures in Greece, and the lack thereof of modern expressions of civil society have left a vacuum between the state and the public which creates formidable problems for both.

Concomitant to the remarks made about the particulars of the Greek state, some historical description of the events which transpired in Greece just before democracy was restored in 1974 seems likewise valuable here for comprehending the nature of party politics in Greece today. Party politics in the post-authoritarian era will again be taken up in Chapter Five of this study, but here a brief overview of the post-World War Two era in Greece will set some more of the backdrop for such a discussion and supply additional information concerning the political environment in Greece in the modern era, particularly the bi-polar nature of party politics in Greece.

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[127]Beate Kohler, *Political Forces in Spain, Portugal and Greece*, (Butterworth & Co. Pubs.) 1982, p. 97.

During the course of the Second World War Greece found itself under the leadership of Ioannis Metaxas who effectively set up a dictatorship in Greece mirroring a more general political climate of anti-democratic regimes which had engulfed much of continental Europe at the time. However, as distinct from its counterparts in Germany and Italy, the Metaxas dictatorship "... altogether lacked the dynamism of German Nazism or Italian fascism. Rather it was an authoritarian, backward-looking and paternalistic dictatorship, overlaid with a patina of quasi-fascist rhetoric and style ..."[128]

The Metaxas dictatorship clearly lacked political legitimacy, but it also was bereft of social legitimacy as well since it had no real popular base of support. The most inspiring feat of the Metaxas regime was its ability to ward off Italian forces on 28 October 1940 (henceforth celebrated in Greece as a national holiday, "OXI" Day) which invaded from the north through Albania. The ability of the Greeks to resist the Italian forces was a decisive moment for the Metaxas dictatorship but had more far-reaching affects on the course of the Second World War and on the fate of the territories on the Greek-Albanian border (which were considered by Greeks to constitute northern Epirus).

The most devastating and perennial effect of the war for Greece, however, would be the invasion by Germany in April of 1941 and the occupation that followed. The resistance movement that formed in Greece to oust the Germans, Italians and Bulgarians, EAM -- the National Liberation Front, and its army, ELAS -- the National People's Liberation Army, would be decisive in structuring the political climate at the close of the war. EAM was a resistance movement that began under the leadership of the communists in Greece who had as an immediate goal liberation and as a protracted political objective free elections and possibly seizure of power. EAM eventually grew into a movement of liberation which would gain the support of non-communists and indeed a large percentage of the Greek people as well. In this sense EAM was able to gain a sense of social legitimacy among the Greek populace who perceived EAM/ELAS as their salvation. At the close of the war, however, political chaos ensued in Greece as there arose the question of which political actors would be recognised as legitimate contenders in governing Greece. The Allied powers decided that Georgios Papandreou, who had formed a government-in-exile, and who was known for his anti-communist stance, should be acknowledged as Prime Minister. Henceforth Georgios Papandreou began to form a

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[128]Richard Clogg, *A Concise History of Greece, op. cit.* p. 119.

national government which was to have the representation of all the resistance forces and political actors in Greece. EAM/ELAS by this time was again almost exclusively composed of its original communist membership as others who had joined the organisation during liberation disassociated themselves once the war ended. This meant that EAM/ELAS was a formidable communist actor which had become more radicalised at the close of the war. The atmosphere was ripe for a confrontation between these forces and those of Georgios Papandreou's fragile government backed by British forces who feared a communist take-over of Greece.

On returning to Athens, Georgios Papandreou found a country devastated by war, famine, and disease as well as a hostile political environment including the ELAS forces which initially refused to disarm. In December of 1944 a battle ensued (the Dekemvriana) between ELAS forces and Georgios Papandreou's government backed by the British. This incident was indicative of an era of hostilities and factionalism characteristic of Greek politics which would permeate the entire post-war era. The climax of these hostilities would be the Greek Civil war lasting from 1946-1949 which was waged between the forces of the Right (backed by the USA) versus the Left (communists). This was by far the most atrocious and barbaric internal battle which witnessed the fighting of Greeks against Greeks. Although clearly a polarisation of politics had begun in Greece at the beginning of the 20th century culminating in the National Schism of 1915-1922, the Greek Civil war was perhaps the most decisive event which stained the post-war era in Greece -- affecting the political party system, shaping and molding the political culture of the country, and embedding an unprecedented degree of bitterness and anger among Greeks.

Thus while the rest of Europe was recovering and reconstructing from the Second World War, Greece was engaged in a civil war which delayed the process of post-war reconstruction and permanently left its mark on the political environment in Greece. The entire post-war era in Greece reflected an anti-communist stance (and thus Greece was center stage to the Cold War) which resulted in the Greek communist party being outlawed from 1947 until 1974. The United States took over where the British left off in ensuring that Greece would not fall under the grip of communism, and thus in 1952 Greece became a member of NATO although she could not accurately be described as either *north Atlantic* in a geographic sense nor did she share a great many other features held in common with other alliance members.

In 1967 another episode in Greece's tumultuous political history occurred when King Konstantine accepted as a *fait accompli* Colonel Papadopoulos's seisure of power and soon a military junta was formed which would again aggravate and further ignite hostilities in Greece. The dictatorship has been described as essentially symbolising "... a forlorn and anachronistic attempt to stem the pace of political and social change, ..."[129] although ironically the junta inadvertently would subsequently propel the modernisation of the country and in its aftermath a democratic system would be firmly re-established with the 1975 Constitution. However, the dictatorship represented a 'formal' legitimacy crisis which profoundly affected the political culture of the country. Two years prior to the dictatorship a political crisis befell the Greek state when Georgios Papandreou's Centre Union Party came at odds with King Konstantine II precipitating a call for elections which never took place since on 21 April 1967 a coup occurred and a junta was established with Colonel Papadopoulos as leader. Political party polarisation would continue to be characteristic of the post-junta era, although political parties in Greece did create a united front against the Colonels when they were in power. It has only been since 1974, when democracy was restored in Greece, that political stability has assumed control and calmed political animosities. The Constitution of 1975 cemented a democratic (*politically* legitimate) political system in Greece which has provided Greece with democratic governments for the past twenty-odd years.[130] It is within this political historical context that the role of political parties in modern Greece must be understood.

2.6 Greece and the EU

Greece has been described as a 'difficult' EU partner and has clearly had to face a series of political, social and economic challenges by being a member of the Community. The following table traces the progress towards Greece's entry into the Community as a full member. One may be struck by the fact that it took nearly two decades for Greece to become a full member, but it must be remembered that Greece experienced a military dictatorship from 1967 to 1974 which effectively brought Greece's relationship with the Community to a standstill.[131]

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[129]Richard Clogg, *Parties and Elections in Greece*, (London: C. Hurst & Co.) 1987, p. 211.

[130]For a discussion of democratic consolidation in Greece in the post-authoritarian era *see* P. Nikiforos Diamandouros, "Regime Change and the Prospects for Democracy in Greece: 1974-1983," In *Transitions From Authoritarian Rule*, Guillermo O'Donnoll et. al. eds., (Baltimore/London: The John Hopkins University Press) 1986, pp. 138-209.

[131]*See* Loukas Tsoukalis, *The European Community and its Mediterranean Enlargement*, (London: George Allen & Unwin) 1981, for an overview of Greek accession to the Community as well as comparisons with Spain and Portugal.

DATE	EVENT
Nov. 1962:	Greece became an associate member of the EEC (the first country to do so). The agreement was concluded on 9 July 1961 (Treaty of Athens), and went into effect on 1 November 1962.
April 1967:	Greece's agreement with EEC was frozen due to a military coup which brought in a military dictatorship from 1967-1974.
1976:	Negotiations were re-opened between Greece and the EEC
1979:	191 Greek MP's voted for Greece's accession to the EEC
1 Jan. 1981:	Greece entered the EEC as its 10th member

Table 2.4 Greece's Progress Towards Entry Into the Community

Negotiations for Greek entry into the EEC as a full member back in the 1970's was seen by the Greek government at the time (led by Konstantinos Karamanlis who held the post of prime minister from 1974-1980 and then president from 1980-1985) as a way of securing parliamentary democracy as well as basic democratic principles (freedoms and rights, for example) in Greece.[132] It was believed that the process of democratic consolidation would be augmented and safeguarded with Community membership. What needs to be emphasised, however, is that this was a political decision taken by Karamanlis, considered to be one of Greece's *charismatic* leaders, which at least in the beginning, was not greeted with wholehearted enthusiasm by all political actors within Greece.[133] Initially, then, the economic repercussions of Community membership took a sideline to the political importance ascribed to Community accession.

Entry into the EEC was likewise perceived as a way to help deal with the Cyprus issue and more generally with security threats emanating from Turkey. On 20 July 1974 Turkey successfully launched an attack in the northern part of the island of

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[132]*See* S. Verney and T. Couloumbis, "State-International Systems Interaction and the Greek Transition to Democracy in the Mid-1970's," In *Encouraging Democracy: The International Context of Regime Transition in Southern Europe*, G. Pridham ed. (London: Leicester University Press) 1991, pp. 103-124.

[133]For instance, PASOK initially espoused an anti EC stance, that is, *before* attaining power in 1981. The Communist party of Greece, the KKE was likewise anti-EC as they still are today, although they no longer openly challenge Greece's membership in the Community as they have done in the past.

Cyprus. Since that day, Cyprus has been divided into two parts with Turkey occupying nearly 40% of the island to the north. The hostility and animosity that still brews between Greece and Turkey regarding the Cyprus invasion is quite real, even after some twenty-odd years of Turkish occupation. Therefore it seems reasonable to assume that national security was a decisive reason for Greece entering the EEC and remains a continuing concern for Greeks up to the present.[134] Furthermore, economic concerns weighed into the decision to join the Community, i.e., concerning Greece's economic development, although these do seem to have been secondary to the political and military considerations which were paramount.[135]

After Greece's official entry into the Community in January 1981, dissenting voices were heard from PASOK[136] and KKE (a Greek pro-Soviet type Communist Party) who publicly disapproved of Greece's membership in the Community and who began to adamantly express their dismay at the *fait accompli*. One of PASOK's campaign slogans leading up to the October 1981 national election was ΕΟΚ ΚΑΙ ΝΑΤΟ ΤΟ ΙΔΙΟ ΣΥΝΔΙΚΑΤΟ "European Community and NATO: The Same Syndicate." Thus when PASOK came to power in October 1981 the question arose whether Andreas Papandreou's government would try to remove Greece from the EEC. This would not be the case, although the relationship between Papandreou's government and the Community was a rocky one at its inception.

The past fifteen years of Community membership for Greece (which have been mainly under a PASOK government) has indeed seen a variety of vicissitudes and wavering degrees of social and political legitimacy for the European project. A

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[134]For several interpretations of Greece and EC/EU membership supporting this assumption, *see* P.C. Ioakimidis, "Greece in the EC: Policies, Experiences, and Prospects," In *Greece, the New Europe, and the Changing International Order,* Harry J. Psomiades and Stavros Thomadakis, eds. (NY: Pella Publishing Co.) 1993, pp. 405-420; Panos Kazakos (in Greek) "Η Ελλάδα Ανάμεσα σέ Ενσωμάτωση και Περιθωριοποίηση -- Επιλογές για την Επόμενη Δεκαετία στις Ελληνοκοινοτικές Σχέσεις," In *Η Ελλάδα Προς το 2000*, Ηλ. Κατσούλης, Τ. Γιαννίτης, Π. Καζάκος, επιμ., (Αθήνα: Παπαζήση) 1988, σ. 516; and Yannis G. Valinakis, "Security Policy," In *Greece and EC Membership Evaluated,* Panos Kazakos and P.C. Ioakimidis, eds. (NY: St. Martin's Press) 1994, pp. 199-214.

[135]P.C. Ioakimidis, "Greece in the EC: Policies, Experiences, and Prospects," In *Greece, the New Europe, and the Changing International Order, op. cit.*, p. 406.

[136]In 1980 PASOK had called for a referendum to be held on Greece's membership in the Community. But at that time, Karamanlis was president, and only the president had the authority to call a referendum. Obviously, since Karamanlis had practically risked his political career to get Greece into the EC by 1 January 1981, he was not about to accept PASOK's call for a referendum. Once in power, PASOK abandoned such demands, and slowly drifted away from its anti-European stance and adopted a much more conciliatory position vis-à-vis the Community.

glance at party politics during the last fifteen years reveals part of the story as to why this has been so.

After having campaigned on an anti-EEC anti-NATO platform, once being elected into office in October 1981, PASOK made an abrupt about-face and dramatically discarded its anti-European and anti-American campaign rhetoric and became a wholehearted supporter of Community operations. By its second term in office in 1985, PASOK was negotiating with the Community for more funding for programmes designed to enhance Greece's economy and infrastructures (IMPs -- Integrated Mediterranean Programmes), both of which were (and still are) in need of vast improvements. Yet despite the modernist and socialist ideology Andreas Papandreou supposedly espoused when in power from 1981-89, PASOK continued to perpetuate patron-client practices and did not produce the *modern* metamorphosis of the Greek state as was originally promised. As James Petras, et al. have appropriately noted:

> PASOK sacrificed its historical role as an innovating force in order to consolidate a powerful electoral constituency. The extension of the patrimonial state was the main factor leading to Greece's descent to the bottom rung in the European economic hierarchy.[137]

As for the New Democracy (ND) party under which Greece originally negotiated entry into the Community, there has been a consistent support of the European project by both Konstantinos Karamanlis and Konstantinos Mitsotakis who were the leaders of the party throughout the past two decades. Miltiades Evert, the most recently elected leader of ND also fully supports European Union goals and has continued the party's tradition of being pro-Europe, pro-federalist. The other political parties which have had representation in the Greek parliament in the last fifteen years, albeit a few seats, KKE and SYNASPISMOS (a Greek Coalition of the Left party), have been less supportive of European Union policies. KKE has been that party which has openly stated that Greece should not be participating in such a community which it believes represents capitalist imperialism *par excellence*. The KKE's position concerning Community membership however, has mellowed over the years, and as Susannah Verney has noted when discussing the KKE and the 1984 Euroelections "... it seemed that the KKE was able to operate according to the rules of the parliamentary game without inevitably being incorporated into the logic of the

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[137]James Petras, et. al., "Greek Socialism: The Patrimonial State Revisited," In *Mediterranean Paradoxes*, James Kurth and James Petras, eds., (Providence, Rhode Island: Berg Publishers) 1993, p. 161.

system."[138] Political Spring, a breakaway conservative party led by Antonios Samaras which participated in the 1993 election for the first time, has expressed its support for European integration. However, this apparent divisiveness among Greek political parties was not enough to hinder the vote for approval of the Maastricht Treaty which took place on 31 July 1992 resulting in 286 "yes" votes, eight "no" votes (which came from the KKE MPs and one from Οικολόγοι Εναλλακτικοί -- an Ecological Alternative party which had one MP in parliament at the time), one "present" and five "absentees."[139]

Popular support (i.e. social legitimacy) for European integration over the past fifteen years has also fluctuated. During the process of negotiation in 1979-1980, Greeks appeared to be quite enthusiastic about joining the EEC as a full member, although the reasoning behind this support has been variously interpreted. Many believe that Greeks saw the Community as a panacea for their economic dilemmas (a notion which was not discouraged by Greek politicians), or as a way to ensure democracy in the country for the future. Others perceived the Community as a way to modernise and finally identify Greece as part of the *west*. Still others saw in the Community the opportunity for Greece to rid itself of domination by the USA and become more autonomous. Certainly the generation which experienced the military junta from 1967-1974 wanted to secure a democratic future for Greece, and the EEC, with this prerequisite, seemed to be a way to ensure that. Likewise EEC membership was a way for Greeks to identify with the modern western world. As Richard Clogg has noted:

> An unspoken assumption underlying the enthusiasm of many Greeks for Europe was that membership would somehow place the seal of legitimation on their country's somewhat uncertain European identity: after all they habitually spoke of travelling to Europe as though Greece did not form part of the same cultural entity.[140]

Therefore there is evidence to support the notion that there have been diffuse and sometimes even contradictory reasons behind Greek membership in the Community which affects the study of legitimacy in Greece, since it is very difficult to pin down and clearly define what (and just how influential) these reasons are. There still remains a degree of ambiguity and controversy surrounding Greece and its

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[138]Susannah Verney, "To Be or Not to Be Within the European Community: The Party Debate and Democratic Consolidation in Greece," In *Securing Democracy: Political Parties and Democratic Consolidation in Southern Europe*, Geoffrey Pridham, ed., (London/NY: Routledge) 1990, p. 217.

[139]P.C. Ioakimides, (in Greek) *Ευρωπαϊκή Πολιτική Ενωση*, (Αθήνα: Θεμέλιο) 1993, σ. 479.

[140]Richard Clogg, *A Concise History of Greece*, (UK: Cambridge University Press) 1992, p. 177.

membership in the EU and this issue will be brought up in Chapter Four of this study.

Empirical data gives one insight concerning public opinion in Greece as regards the European Union. Since entry into the community in 1981, Greeks have consecutively shown a high level of support for the Community. Nevertheless, during the last five years (1990-1995) EUROBAROMETER polls reveal that there has been a slow upward trend in the percentage of Greeks who have doubts about Europe and thus a slow declining support for European integration can be observed.[141] This decline in support for European integration in Greece, however, is not an isolated phenomenon, since in general public support for European integration has fallen over the past half-decade. As commented by EUROBAROMETER itself, "... for the fifth time in a row, the EUROBAROMETER standard indicators of support for the European Union have generally fallen."[142] It should be noted, however, that still an overwhelming majority of Greeks when asked believe that EU membership for Greece is "a good thing" (64%), and likewise believe that Greece is benefiting from this membership (69%).[143] Greeks also perceive the Council Presidency as very important, as evidenced during the most recent Greek Council Presidency held from January 1994 to June 1994 when 82% of those polled expressed the opinion that the EU presidency is "important."[144]

Any contemporary discussion of legitimacy requires one to explore the relations between EU member states and EU institutions and processes. For the case of Greece, this is particularly pertinent since Greece has had a strained relationship with the Community/Union and has often been at odds with her various policy mechanisms and proposals. An exploration into EU policy-making and decision-making processes, which is the topic of the next chapter, further uncovers some of the dilemmas of legitimacy for the EU which will complete the first part of our discussion here.

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[141]*See* EUROBAROMETER #39, June 1993 p. 14. *See also* EUROBAROMETER #43, p. xviii. Although one needs to use caution and not jump to hasty and sometimes what may be false conclusions when employing data from EUROBAROMETER surveys, the surveys do have a degree of reliability as many questions are repeated over again in consecutive surveys occurring every six months, thus generating data for comparison over time.

[142]EUROBAROMETER #40, December 1993, p. 12.

[143]EUROBAROMETER, #41, July 1994, p. 10.

[144]*Ibid.*, p. 26.

Chapter Three

POLICY-MAKING AND DECISION-MAKING IN THE EUROPEAN UNION

3.1 Introduction

There can be little doubt that part of the problem of studying the question of legitimacy and how this relates to the EU policy-making and decision-making processes is that the decision-making body which wields the most power, the Council of Ministers, conducts most of its activities behind closed doors. Little if any documentation is available as to what goes on in Council meetings and how agreements are brokered. What is documented are final decisions that the Council makes and the amendments and suggestions that the Commission, the European Parliament (EP) and other actors have made along the way. Yet in some ways the difficulties one encounters gathering information about the decision-making processes in the EU is the very crux of the legitimacy problem of the EU made manifest.

This chapter seeks to further an understanding of the EU and the question of legitimacy by examining the policy-making and decision-making processes within the Union today. The issue of transparency and secrecy will be explored by primarily relying on official EU documents which have attempted to respond to the public demand for more access to the EU decision-making processes. The Social Agreement as outlined in a Protocol annexed to the Treaty on European Union (TEU), European Monetary Union (EMU), and migration/immigration issues have been selected here as key policy areas which demonstrate various difficulties and obstacles which the EU has encountered in creating common policy and demonstrate the complexity involved in attempting to achieve such goals. Each of these policy areas also sheds light on the various aspects of the question of EU legitimacy and are intended to act as a complement to the remarks made in the previous chapter.

One of the primary obstacles within the process of policy-making which the EU has to face is having supranational institutions along with intergovernmental institutions involved in the process. In the EU today, there can not be said to be a unified system of policy-making. The EMU is a case in point where one witnesses economic or fiscal policy-making, indicative of intergovernmentalism, and monetary policy-

making, indicative of supranationalism.[145] These two decision-making methods when mingling and operating simultaneously within the EU can complicate and often muddle decisions taken. Yet at present there appears to be no way of getting around this dilemma, since both intergovernmentalism and supranationalism remain characteristics of EU processes and this will probably be the case for some time to come.

3.2 The Policy-Making and Decision-Making Processes in the European Union

When one investigates the way policy is made and vital decisions are taken in the EU today, one can feel quite bewildered at the multiplicity of methods and actors involved in the processes at work.[146] National representatives, EU representatives, EU officials and technocrats, and a collection of individuals and organisations which seem to hover between the two, in some way or another are all involved (in different ways and to differing degrees) in the process of policy-making and in the decisions that are taken. The two main official procedures by which policy is currently made in the EU, the co-operation procedure and the co-decision procedure were introduced in the Single European Act (SEA)[147] and the TEU,[148] respectively.[149] Basically, both of these procedures give the EP several opportunities to review and comment on certain Commission proposals before they are finally voted on in the Council. There remains, however, the additional difficulty of deciding what activity will pass through which procedure of decision-making. Even the European Commission *Report on the Operation of the European Union* admits:

> There is no apparent logic in the correlation between the various procedures and different fields of activity: -- three different procedures apply in the three equally important sectors of agricultural policy, transport and the internal market (the consultation, cooperation and codecision procedures respectively) ...[150]

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[145]Francis Snyder, "EMU -- Metaphor for European Union? Institutions, Rules and Types of Regulation," In *Europe After Maastricht,* Renaud Dehousse, ed., (München: Law Books in Europe) 1994, p. 64.

[146]There are some twenty odd ways by which decision-making can occur in the EU presently.

[147]Commission of the European Communities, *Single European Act*, Title II, "Provisions Amending the Treaties Establishing the European Communities," Article 6.

[148]Commission of the European Communities, *Treaty on European Union*, Article 189b of the EC Treaty.

[149]*See* Neill Nugent, *The Government and Politics of the European Union*, 3rd edition (London: MacMillian Press) 1989, for an overview of policy processes in the EU in the post-Maastricht era.

[150]European Commission, *Report on the Operation of the Treaty on European Union*, 10 May 1995, Brussels SEC(95) 731, p. 25.

Documents and pronouncements come pouring out of the EU in the form of 'regulations,' 'directives,' 'decisions,' 'recommendations and opinions'.[151] There are also other 'communications' and 'memoranda.' But in the end it is still the Council of Ministers whose members have the power to accept or reject a Commission proposal. Lurking behind these official procedures -- which on the surface may appear to allow into the decision-making process more feedback and voices from the Commission and the EP -- hides the practical reality that the Council still has the last word. This is where a great deal of the institutional or structural legitimacy problem ('formal' legitimacy in Weiler's terms) lies for the EU. The fact that the EP is located in Strasbourg and not in Brussels creates a physical distance which matches the EP's formidable lack of political power within the decision-making processes.

There has been much discussion within Brussels over the bargaining process which occurs among the members of the Council of Ministers in the process of reaching compromises, the so-called wheeling and dealing among European leaders behind closed doors, the minutes of which are restricted from public access. Obviously there is no official documentation describing this, although all are aware that it goes on. The member state holding the Council Presidency may initiate several informal discussions among Council members as well, such as lunch or drinks to address certain issues. These informal gatherings, however, can and often do generate informative exchanges and tactical maneuvering goes on by members of COREPER (Committee of Permanent Representatives), who are member states' permanent delegates to the EU and who do most of the busy work for the Council. COREPER committees members meet weekly and iron out agreements before the ministers come to attend meetings, so much so that often agreements are actually reached in COREPER meetings and then are simply officially agreed upon in Council discussions.

However, contentious issues and those of paramount importance are decided upon by the Council itself, some of which can be said to be decisively shaping the future of Europe. Deals are constantly being negotiated which help maintain a delicate balance of interests among member states. To refer to a Greek example, it is now widely recognised that Andreas Papandreou agreed not to veto Spanish and Portuguese accession to the Community in 1986 with the understanding that the Community would guarantee the go-ahead for the Integrated Mediterranean

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[151] Commission of the European Community, *EEC Treaty* "Provisions Common to Several Institutions," Article 189.

Programs (IMPs) which were applicable for the whole of Greece, providing Community funding for specific projects in less developed areas throughout Greece.[152] Many other such significant decisions and compromises are said to have been determined by the Twelve (now Fifteen) member state leaders in privy talks. This type of decision-making obviously feeds directly into the question of legitimacy by uncovering where it appears to be most lacking. The link between the Council and the EP appears to be structurally the weakest one, and although attempts have been made to inform and consult more with the EP, not much qualitative change has occurred in this extremely lopsided relationship which heavily favours the Council over the EP. It remains to be seen whether the upcoming 1996 Intergovernmental Conference (IGC) can suggest and get implemented any substantial changes to EP competencies.

3.3 Secrecy and the Issue of Transparency

The issue of secrecy and transparency has come to the attention of EU officials more pronouncedly in the past few years, and perhaps more so particularly since 1 January 1995 when Austria, Sweden and Finland joined the Union. Needless to say Denmark and Holland have continuously pressed the Community that it needs to further open the door of the Community to allow for more openness. However, new members with different democratic traditions and models of policy-making have vociferously voiced their disenchantment with the EU policy and decision-making processes and have stated that the EU needs to become more open and disclose more regarding how decisions are taken, and made more accessible to those who wish to put forward their opinions about specific policy issues and concerns.

It appears that secrecy is also being registered as a problem by EU citizens to Mr. Jacob Söderman,[153] the EU's first official ombudsman, a position which was created in the TEU to allow European Union citizens to register their complaints relating to EU institutions to an independent arbiter. Along with favouritism, secrecy is the major complaint being lodged against all three EU institutions. Mr. Söderman in his first report remarked that "... complaints so far received mainly

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[152]*See* Loukas Tsoukalis, *The New European Economy*, (NY: Oxford University Press) 1993, p. 58 who refers to this incident more diplomatically by stating that "... [the] IMPS were ... seen as a compensation to the existing members of the Community of Ten for the expected negative economic effects of the accession of Spain and Portugal." *See also* John Pinter, *European Community: The Building of a Union*, (Oxford/NY: Oxford University Press) 1995, p. 175 where the author makes the same acknowledgment.

[153]*See Financial Times*, "Britons Take Their Troubles to the EU's Ombudsman," 23 February 1996, p. 2.

concerned transparency or the reluctance of Commission and Council to provide documents to journalists and MEPs."[154] The most numerous complaints have been from the British, with the Germans and Spanish coming second and third, and those least likely to criticise are the Luxembourgers.

The *Declaration on the Right to Access to Information*, annexed to the TEU[155] was the first in a string of official declarations to be made by the EU addressing the issue of access to information and transparency. Basically this declaration simply stated that the issue of transparency was considered to be important and recommended that the Commission submit to the Council a report (in 1993) which could suggest ways of enhancing public access to the institutions of the Community. The *Birmingham Declaration*: *A Community Close to its Citizens* which was adopted on 16 October 1992, more affirmatively asserted the Communities intentions to open up its doors by announcing that "We must: ... -- make the Community more open, to ensure a better informed public debate on its activities; ..."[156] The Birmingham Declaration further goes on to suggest that Foreign Ministers should suggest ways of possibly opening up some Council discussions; it promotes further cooperation between the EP and national parliaments; and it reaffirms the EU's commitment to the principles of subsidiarity. The "Conclusions of the Presidency" of the European Council in Edinburgh, which took place on 11-12 December 1992 as well "reaffirms its commitment at Birmingham to a more open Community" and basically reiterates the Community's intentions to try to increase and develop means by which to achieve a more open EU environment.[157]

These declarations and pronouncements basically paved the way for the Council and the Commission to lay down an official *Code of Conduct* which would outline the means by which individuals and institutions could petition the various EU institutions for access to documents. The Council Decision of 20 December 1993 on "Public Access to Council Documents"[158] and the "Code of Conduct Concerning Public Access to Council and Commission Documents"[159] of 31 December 1993

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[154]"Britons Complain Most," *The European*, EP News, 12-16 February 1996.

[155]*Treaty on European Union*, "Declaration on the Right to Access to Information," p. 229.

[156]*Birmingham Declaration: A Community Close to its Citizens*, adopted on 16 October 1992.

[157]*See* European Council in Edinburgh, 11-12 December 1992 "Conclusions of the Presidency," particularly point number seven entitled, "Openness and Transparency."

[158]Council Decision of 20 December 1993 on "Public Access to Council Documents," *Official Journal of the European Communities*, No. L 340/44, 20 December 1993, Commission Document 93/731/EC.

[159]"Code of Conduct Concerning Public Access to Council and Commission Documents" *Official Journal of the European Communities*, No. L 340/43, 31 December 1993, Commission Document 93/730/EC.

were the two official statements that emerged. Both documents give specific details about the process of how one applies for access to EU documents, and how the applicant will be able to view such a document, etc. The most engaging article of the *Council Decision* for the discussion here pertains to the *Exceptions* under which access to documents can be refused. Article 4 of the Council Decision on "Public Access to Council Documents" clearly states that:

> 1. Access to a Council document shall not be granted where its disclosure could undermine:
>
> -- the protection of the public interest (public security, international relations, monetary stability, court proceedings, inspections and investigations),
> -- the protection of the individual and of privacy,
> -- the protection of commercial and industrial secrecy,
> -- the protection of the Community's financial interests,
> -- the protection of confidentiality as requested by the natural or legal person who supplied any of the information contained in the document or as required by the legislation of the Member State which supplied any of that information[160]

This same set of exceptions are likewise found in the *Code of Conduct* which also states that "They [the institutions] may also refuse access in order to protect the institution's interest in the confidentiality of its proceedings."[161] The same statement is found in the *Council Decision* with a slight change of wording to refer directly to "access to a Council document" replacing *the institutions*. A glance at the list of exceptions indeed seems comprehensive and even without knowledge of the specific legalities involved, it appears that the Council and the other EU institutions have a variety of legal escapes and loopholes to avoid approving access to Community documents which for one reason or another they do not wish to have disclosed to the public eye. A great many of these *exceptions* appear to be protectionist and one wonders whether the EU is simply trying to hide behind a confidentiality clause to escape public scrutiny.

The same list of *Exceptions* and similar language found in the *Code of Conduct* and the *Council Decision* is also incorporated in the Commission Decision of 8 February 1994 on "Public Access to Commission Documents"[162] which adds nothing really

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[160]Council Decision of 20 December 1993 on "Public Access to Council Documents," Article 4.

[161]"Code of Conduct Concerning Public Access to Council and Commission Documents," *Exceptions.*

[162]Commission Decision of 8 February 1994 on "Public Access to Commission Documents, "Official *Journal of the European Communities*, No. L 46/58, 18 February 1994, Commission Document 94/90/ECSC.

new to the two previous documents addressing the same issue. The same procedures for applicants applies in the Commission Decision of 1994 and the *Exceptions* are identical to those of the previous official documents.

An action brought on 19 May 1994 by John Carvel and Guardian Newspapers Limited against the Council of the European Union[163] brought into the public view the very issue of access to Council documents and under what situations they should be denied. The *Guardian* refused to accept the Council decision which denied them access to the minutes of several Council discussions on various topics and thus brought the Council to the Court of First Instance of the European Communities.[164] The *Guardian* contended that the Council's refusal to allow them access to the various documents that they had requested violated all of the fundamental rights that the EU had declared concerning access to the documents of the institutions of the European Union, and in the case literature they cite the 'Declaration on the right to access to information' annexed to the Treaty on European Union, the 'Birmingham Declaration,' etc. right down to the *Codes of Conduct* of the Council and the Commission.[165] Their main argument, very similar to that mentioned here, is that "Exceptions to the fundamental principle of 'fullest possible' and 'widest possible' access must be construed and interpreted narrowly."[166] It seems clear even to the layperson that there must be a more specific delineation of the *Exceptions* under which the Council can refuse access to their documents for any meaningful interpretation to be applied in such cases.

Thus in an attempt to respond to public demands for more transparency of EU activities, both the Commission and the Council have failed to produce an official document which could truly disclose some of the mystery behind how decisions are arrived at, particularly by the Council which appears to be that EU institution most cloaked in secrecy. Certainly this would enhance the Council's image and increase a sense of its legitimacy, both in a political sense by allowing for public scrutiny and thus some degree of accountability, and in terms of social legitimacy by enabling citizens to understand how and why the Council makes its decisions as it does.

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[163]Action brought on 19 May 1994 by John Carvel and Guardian Newspapers Limited against the Council of the European Union, *Official Journal of the European Communities*, No. C202/13, 23 July 1994, Case T-194/94.

[164]The *Guardian* had requested the preparatory reports, the minutes, attendance and voting records of the Justice Council of 27 and 30 November 1993; the minutes of the Agriculture Council of 24 and 25 January 1994; and the preparatory reports, minutes and voting records of the Social Affairs Councils of 12 October and 23 November 1993. *Ibid.*

[165]*Ibid.*, *see* especially "Pleas in law and main arguments adduced in support."

[166]*Ibid.*

Hence despite these official pronouncements allowing for public access to EU documents, neither the minutes of Council meetings nor the Council debates over Commission proposals are made public. Even Council sessions which discuss proposals which have already been sent to the EP for review are still not open to public scrutiny. The fact that decisions are taken within the Council secretively unquestionably appears to be part of the legitimacy dilemma for the EU.

A recent Commission Report entitled "Report on the Operation of the Treaty on European Union," of 10 May 1995 has again addressed the issue of 'Democracy and Transparency in the Union.[167] After discussing the institutional features of the Maastricht Treaty, this report goes on to explain what the TEU introduced concerning the decision-making process, mainly the co-decision procedure and qualified majority voting in a number of new fields of EU activity. Under the heading title 'More Transparency' this Commission report directs its remarks to the principle of subsidiarity enshrined within the TEU as a way of bringing the Union closer to its citizens and then moves on to the more contentious issue of access to information. In the section of the report relating to the Council and access to information, the report claims that although the Council's "...debates are still held behind closed doors ... exceptions are now provided for, notably, in the form of open debates and publicity and explanations of Member States' votes."[168] The report likewise states that there have been twenty-two public debates in the Council, and in two adjoining annexes[169] lists the Council Presidency's since 1993, the number of debates that were held during each presidency, the date that these public debates were held and their content. To take the case of the Greek Presidency during the first half of 1994 as an example, there were three public debates held. The first public debate, held on 7 February 1994 was the "Presentation of Greek Presidency's work programme;" the second, on 14 February 1994 discussed the "Presentation of Greek Presidency's work programme in economic and financial matters;" and the final debate, on 21 February 1994 was concerned with "Proposals on agricultural prices and related measures for 1994/95 - Presentation by the Commission." It appears that none of the above topics were particularly lively subjects for debate and as the report itself admits: "Open debates have tended to be about subjects on which

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[167]European Commission, *Report on the Operation of the Treaty on European Union*, 10 May 1995, Brussels SEC(95) 731.

[168]*Ibid.*, p. 33.

[169]*Ibid.*, Annex 10 and 11.

a consensus existed. Requests for open debate on other subjects have failed to secure the required unanimity."[170]

Lastly, the Commission Report cites two-hundred sixty requests received by the Commission for access to institution documents as of 22 March 1995 and announces that 53.7% of these have been accepted, 17.9% have been rejected and 28.4% have been treated as invalid.[171] The grounds given by the Commission for withholding the documents which were denied are outlined in Annex 13 of the report, the largest percentage owing to 'Confidential discussions.' The report concludes in its overall assessment on openness and transparency that "A great deal remains to be done, especially in the Council, which must be more open in its legislative function."[172] This seems like an understatement, but one which at least reveals that the issue of openness and transparency has come to be recognised as an important one within the EU. If the Council and the other EU institutions hope to acquire the degree of legitimacy that they will ultimately require to further along the integrative process, then the issue of transparency and secrecy will have to be addressed and answered on a level which will satisfy the public response for information about EU activities.

3.4 The Social Chapter

As mentioned in the previous chapter, the European process of integration has had difficulties in incorporating a social component into its formal structures and thus has been unable to successfully create a so-called 'common European social space.' The TEU was able to incorporate a notion of common citizenship in functional terms, but failed to add anything novel to the 1989 Social Charter. The TEU's hopes of revising the Articles of the EEC treaty that had to do with social policy never materialised. Those who were hoping for more decisive pronouncements concerning social policy were indeed disappointed.

However, the most devastating blow to the idea of a 'common' social policy was the British refusal to accept any of the amendments proposed for the TEU, thus effectively crushing any hope of incorporating a Social Chapter into the treaty. The resounding statement that "The United Kingdom of Great Britain and Northern Ireland shall not take part in the deliberations and the adoption by the Council of Commission proposals made on the basis of this Protocol and the above mentioned

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[170] *Ibid.*, p. 34.
[171] *Ibid.*, p. 36.
[172] *Ibid.*, p. 37.

Agreement,"[173] slammed the door on any possibility of formulating and implementing a truly 'common' and meaningful social policy. Since the provisions of the Agreement on Social Policy have been placed in a Protocol annexed to the Treaty, they are not legally part of the TEU and do not therefore change or replace the social provisions found in the EEC Treaty. Politically speaking, the decision to place the Agreement on Social Policy in an appended Protocol was one taken so that the British would agree to sign the TEU. The British refusal to agree to the social provisions was based on an argument, which is still being disputed, that these provisions would be too costly for the British economy to bear. But beneath the rhetoric the more significant issue is whether or not a precedent has been set with the British opt-out. Thus the more serious dilemma which the EU has now to face is whether or not other member states, when and if they do not agree with a particular policy issue, will cite the British example to justify a conspicuous stance. Potentially, this type of action could lead to innumerable dilemmas for the EU and the policy-making and decision-making processes. As it is, the rules for qualified majority voting had to be altered in the Protocol, stipulating that 44 out of 66 votes were required for proposals to be passed as opposed to the 54 out of 76 when the British were included.[174]

One of the most serious problems currently facing the EU is rising unemployment rates which represent the largest percentage of unemployed in Europe since the era of the Great Depression. In Germany alone some 4.1 million people are unemployed (10.8% of the population, 16% in the former East Germany), while the EU average unemployment rate is still hovering around 11%.[175] One of the groups who have been hardest hit by unemployment are young people, with some 16.5 million of them unemployed throughout the EU. The problem of unemployment is one of the most serious challenges facing the EU and certainly one area which has been the focus of joint social policy. The 1993 EU Commissions' "White Paper" on *Growth, Competitiveness, Employment* was the first real concerted effort to discuss the EU's competitiveness and directly addressed the problem of unemployment. Since then, several documents have set out to reaffirm the principles of the White Paper, including the Council Resolution of 6 December 1994 which clearly states the need

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[173]*Protocol on Social Policy*, Annexed to the Treaty on European Union, 1992.

[174]Note: with the inclusion of Austria, Finland and Sweden into the EU on 1 January 1995 the numbers for qualified majority voting have changed, but the TEU obviously was referring to a Community of Twelve.

[175]The unemployment rate figures for some member states is staggering. Spain currently has the highest unemployment rate of EU members at 24.4%. See *Eurostat*, (Luxembourg: Office for Official Publications of the European Communities) 1995, p. 154.

for improving the EU's competitiveness and for increasing opportunities for creating more jobs throughout member states.[176] A European Commission document entitled 'Social Europe' which outlines a medium-term rolling social action programme for 1996-1997 lays out a plan for social policy in the Union. The programme discusses such issues as how to best promote employment schemes in the Union, training, mobility of the labour market, and equal opportunity and social protection policy.[177] Concerns such as worker's rights to fair pay, better protection for workers, health and safety on the job, equal pay and opportunities to work between the sexes, parental leave, are addressed. There are indications, then, that the EU is attempting to forge a common stance on social policy.

However, despite the obvious recognition among member states for the need to cooperate to face such serious problems as swelling unemployment and lackluster schemes of competitiveness, politically sensitive areas remain, and these are where Council unanimity are still required. As the Agreement on Social Policy points out, these areas include:

> -- social security and social protection of workers;
> -- protection of workers where their employment contract is terminated;
> -- representation and collective defence of the interests of workers and employers, including co-determination,
> -- conditions of employment for third-country nationals legally residing in Community territory;
> -- financial contributions for promotion of employment and job-creation, without prejudice to the provisions relating to the Social fund.[178]

A great many areas of social policy are still very much considered to be national competencies, and the reluctance expressed by the citizens of EU member states as revealed through EUROBAROMETER surveys to have the EU take on some of these competencies seems to verify that phenomenon. Issues such as the right to strike or to impose lock-outs and the question of pay are still firmly in the national domain. The legitimate arena for such discussions appears to continue to inhabit the nation-state, although such aspects of consultation between management and labour are to be enhanced by the Commission as stipulated in Article 3 of the Agreement on Social Policy.

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[176]*See* European Communities, Council Resolution of 6 December 1994 on Certain Aspects for a European Union Social Policy: a Contribution to Economic and Social Convergence in the Union, *Official Journal of the European Communities*, No. C 368/6, 23 December 1994.

[177]European Commission, *Social Europe 3/94*, (Luxembourg: Official Publications of the European Communities) 1995.

[178]*Agreement on Social Policy*, Annexed to the Treaty on European Union, Article 2(3).

Nevertheless social policy remains a policy area dominated by nationalist sentiments and one which has most certainly experienced a set back since the British opt-out of the Social Chapter. Decisions concerning social policy will most probably remain heavily influenced by intergovernmentalism, as member states and their citizens seem reluctant to relinquish a great deal of decision-making over to EU institutions, at least at present.

3.5 The European Monetary Union (EMU)

The EMU is a policy area where both supranational and intergovernmental models of policy and decision-making occur and this duality inherently creates difficulties in making decisions. The EMU is also considered to be the 'centerpiece' of the EU and has been partially selected because it is controversial and contentious. Most recently the EMU has become surrounded by uncertainty, and in the current 1996 IGC, it appears to be that policy area which can ultimately propel integration or precipitate a crisis of huge proportions.[179] Thus the remarks which will be made here will be limited to bringing up some of the issues surrounding the EMU as they are seen to inform the discussion of legitimacy.

Perhaps one of the most obvious observations one can make about the EMU and legitimacy is that in light of market uncertainties and a mercurial global economic environment, it appears nearly impossible to forecast *any* economic targets and believe that by a certain date they can be achieved. Much discussion recently over whether the economic targets as prescribed for EMU are attainable have actually turned the discussion around questioning how the numbers were determined in the first place. One side of the argument claims that if only one or two member states can actually meet the EMU criteria by 1999, is seems absurd to go ahead with so few members. Thus the question arises as to why not change the economic criteria to adjust to the economic reality that EU members are facing. Those on the other side fiercely defend the EMU criteria, and proclaim that any change in the figures would

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[179]It is very difficult to remark intelligibly upon the EMU with any degree of certainty or definitiveness since at present there is much discussion in Europe today as reflected in the press about whether or not the economic targets as they are set out presently in the TEU can be met by a fair number of EU members by 1999. Hans Tietmeyer, the head of the German Bundesbank remarked at a conference in Frankfurt in early February 1996 that "Monetary union, once started, must not go off the rails. If necessary, a delay in timing would be less problematic than a later derailment." *See* "Tietmeyer Says EMU Stability Essential," *Financial Times*, 14 February 1996, p. 2.

In light of most recent economic forecasts at the time of this writing, it appears that even France and Germany may have a great deal of difficulty meeting the TEU criteria for monetary union. The EMU at present seems to be the principal topic of discussion in European forums everywhere, with the Eurosceptics on the one side declaring that EMU is an impossibility, and the defenders of the European project on the other maintaining that EMU can and must be attained.

unravel the entire scheme of EMU and set the wrong precedent. No changes or compromises should be allowed, since this would undermine the entire EMU project. In an environment where these ideas are being flung around, when even the 'experts' can not seem to agree on the future course for the EMU, the citizens of member states are understandably bewildered, and are certainly less inclined (if they ever were) to support such an endeavor. Hence part of the problem of legitimising the EMU to citizens is the degree of conjecture and ambiguity surrounding the entire project. Discussions currently about altering the criteria of EMU to a EU population, a substantial portion of which does not know what the criteria are in the first place, reveals the EU's failure to inform the public about the debates. The general public remains confused and perplexed and hence is unlikely to support such a policy. This goes back to what has been said in the previous chapter of this study about the 'information deficit' which has accompanied the 'democratic deficit' of the EU, both of which, albeit in different ways, feeds into the issue of legitimacy of the EU. Several EU member leaders are toying with the idea of calling a nation-wide referendum if and when the time comes to join EMU and implement a common currency.

Deteriorating economic conditions of EU member states has also spawned debates about a two-speed Europe, where member states who can meet the EMU criteria pull ahead and leave behind those who have failed to keep apace. Objections to this plan have no less come from those who are farthest from meeting the economic criteria, for example Greece, who rejects outright any idea of a two-tier Europe which would relegate it to secondary status. However, in more realistic terms, there certainly remains the possibility that the more economically well-off EU members will forge ahead thus precipitating an even more highly noticeable dichotomy within the Union along economic lines. This most certainly will not augur well for relations among EU member state leaders nor for relations among their member citizenry. In terms of the process of policy-making and decision-making, innumerable dilemmas can arise when the topic of economic policy comes to the discussion table if there are several members following EMU and several who are trying to get in. An 'us' against 'them' syndrome could occur which could certainly weaken the institutional operations of the EU along with it its degree of social legitimacy.

A glance at the construction of the EMU and its impending implementation as set out in the TEU calling for a European Central Bank, fixed exchange rates, and a single currency is indeed the most ambitious supranational economic package that

the Union has thus far devised. It is also perhaps the most difficult economic endeavor and that one which poses the most challenges for member state governments. Another question which is being asked is whether the EMU requires a single fiscal policy, and if so, how to legitimise this to citizens.

EMU implies on the one hand that member states will relinquish their right to make integral micro and macro economic policy, thus largely losing national sovereignty over this critical policy area. On the other hand, through the development of a single currency, national governments will have to be much more accountable to their citizens for their country's national deficit. However, the question that is not often brought up by those promoting monetary union is how will the EMU be sold to member citizenry. The underlying assumption seems to be that national governments are in the end responsible for lending credibility to the EMU and to selling it at home to their citizens. As John T. Woolley has aptly expressed when discussing the European Monetary System: "EMS institutions did not possess any inherent credibility; they acquired credibility because of the demonstrated willingness of participating governments to bear political costs."[180]

The implementation of the EMU will inevitably mean that new financial institutions will be finally put in place. One of the most discussed of late is that of the development of a European Central Bank (EuroFed) as envisioned in the TEU. One of the advantages of an independent European Central Bank (ECB) which has been cited is that the ECB will be less subject to political pressures and this will enable it to be more objective in forming sound policies. The disadvantage, of course, is that it may not be able to carry out policies if these are extremely unpopular. And then there is the question raised above, which reiterated in another form is: can a EuroFed really operate without a single European economic and finance ministry? The EuroFed will have a mandate to maintain price fixing and will invest much power in a governors board, made up of representatives from member central banks, and an executive board, consisting of six members: a President, a Vice-President and four other members, for eight-year non-renewable terms. These individuals are to have no national allegiances but have to be nationals of member states, and will be appointed by the European Council. The least democratic aspect of the executive board is that this group of individuals will be totally independent of any other European institution and in effect democratically accountable to no one. Paul Hirst's

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[180]John T. Woolley, "Policy Credibility and European Monetary Institutions," in *Euro-Politics*, Alberta M. Sbragia, ed., (Washington, DC: The Brookings Institute) 1992, p. 166.

comments concerning the ECB support this assumption quite adamantly. He remarks:

> ... the idea of an 'independent' central bank at the EU level is absurd. Unlike the *Bundesbank*, which is a broadly representative institution, such a bank will lack legitimacy. That lack will be reinforced by its divorce from wider economic policy-making and by its tendency to set constraining conditions for the latter. The effects of 'independence' would be to allow unaccountable officials to dictate economic policy, at a time when the central organs of the EU will still lack legitimacy and citizen identification. The result could all too easily be a disaster for the process of building support for EU economic and political integration.[181]

The issue of a common currency has also witnessed more philosophical discussions about money and its symbolic representation of the nation. Money has in effect a national, cultural identity attached to it and many have prophecised that this is not going to be easily replaced by the 'Euro.' Any currency likewise has a political identity, and a single currency can not be maintained without support by political leaders and by citizens. In other words, and to use the terminology which has been adopted in this study to re-examine the question of legitimacy, the single currency specifically, and the EMU more generally, needs to be perceived of as politically and socially legitimate if it hopes to be successfully adopted and maintained.

3.6 The Case of Migration and Immigration Policy: What Has Been Decided so Far, How, and by Whom

Migration and immigration policy has been selected here for discussion primarily because it is an area representative of both intergovernmentalism and supranationalism, although clearly the former far exceeds the latter. It in addition has become more of a concern for EU members since the collapse of Soviet communism and the break-up of the Eastern bloc in Europe which has resulted in an increase of immigrants and migrants wishing to enter EU member states. Therefore new challenges face EU member states as East-West migration has reached new levels and the rising number of asylum-seekers (which Germany primarily has had to contend with) is growing daily. Under these circumstances, migration and immigration policy in member states has become increasingly reactive and defensive, as the case of Athens' response of sending back Albanians coming over the mountains into northern Greece in Chapter Eight of this study will reveal.

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[181]Paul Hirst, "The European Union at the Crossroads: Integration or Decline?" In *Democracy and Constitutional Culture in the Union of Europe*, Richard Bellamy, ed. et. al. (London: Lothian Foundation Press) 1995, p. 49.

However, before the momentous events took place in 1989 in Eastern Europe, it was the *Single European Act* that initially advanced coordination of migration policy among member states since at least in theory, internal movement of "goods, persons, services and capital" was to be made effective. Back in 1986 an Ad Hoc Group on Immigration was established to deal with matters of migration and immigration, consisting of a group of ministers and senior civil servants. The areas of concern for the group were substantially broadened in 1991 to include such topics as harmonisation of admission policies; a common approach to the problem of illegal immigration; a policy on the migration of labour; the situation in third country nationals; and an investigation into developing a broader migration policy in general.[182]

Nevertheless in response to the events in Eastern Europe after 1989 a plethora of activities and organisations examining migration problems in Europe have been mobilised. Some of these include pre-existing organisations such as the International Organisation for Migration and the United Nations High Commission for Refugees. Several new organisations have emerged which have concerned themselves with particular features of the immigration problem such as: the 'Vienna' Group, which grew out of the Council of Europe Ministerial Conference on the Movement of Persons from Central and Eastern European Countries which took place in Vienna in January 1991; the 'Berlin' Group, which emerged from the Berlin Conference on European Cooperation to Prevent Uncontrolled Migration held in October 1991; and the 'Budapest' Group which came about in February 1993.[183]

Yet despite these organisations and the flurry of activity they have supposedly generated in dealing with mass immigration, policy towards immigrants has become increasingly more defensive and reactionary, especially by those EU members experiencing the most direct affects of immigration. The expression 'Fortress Europe' which was one originally used to refer to the Community's restrictive trade laws with non-member states and the so-called economic fence that the Community was building around its borders, now has become relevant for issues of migration and immigration. Policies being developed are increasingly focusing on how increasing checks on external borders can help keep 'undesirable' and 'unwanted' individuals out. Therefore there is a definite shift in perspective towards immigration and security, particularly as regards *illegal* immigration. Presently, there is no common

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[182]Sarah Collinson, *Beyond Borders: West European Migration Policy Towards the 21st Century*, (London: Royal Institute of International Affairs) 1993, p. 41-42.

[183]*Ibid.*, p. 41.

migration/immigration policy as such in the EU, rather there are 'cooperative agreements' and 'cooperative arrangements' which have become more restrictive and defensive in nature towards immigrants/migrants from the East. There remains a nebulous understanding of what "an area without internal frontiers" actually means in practice as well.[184]

Title VI of the Treaty on European Union on 'Provisions on Cooperation in the Fields of Justice and Home Affairs' was the EU's attempt to establish a foundation for cooperation among member states in a variety of areas. Article K.1 enumerates the areas which should be regarded by member states "... as matters of common interest."[185] The list is quite comprehensive and includes such items as asylum policy, immigration policy and policy regarding nationals of third countries, judicial cooperation in civil matters, customs cooperation, and so on. However, the bulk of the decision-making for most policy areas remains within the Council, and all of Title VI is outside the jurisdiction of the European Court of Justice. As Malcolm Andersen, et al. have rightly pointed out:

> ... from the point of view of the citizen, the principal drawback of Title VI is that it is deliberately insulated from democratic control by the Parliament and from judicial review by the Court.[186]

Looming beneath the surface of Title VI is a lack of transparency and accountability concerning the decision-making process which could surface at any time, particularly as more coordination is planned embracing more policy areas.

Article K.1(9) of Title VI calls for:

> police cooperation for the purposes of preventing and combating terrorism, unlawful drug trafficking and other serious forms of international crime, including if necessary certain aspects of customs cooperation, in connection with the organization of a Union-wide system for exchanging information within a European Police Office (Europol).[187]

Europol is still officially operating at present as the European Drug Unit, however, since Europe's leaders have not been able to finalise the convention to get Europol

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[184]" ... [n]o agreement has been reached on the security measures which are recognized as being necessary, both for abolishing the internal frontiers and for harmonizing the systems of checks at external frontiers." EU Commission, *Report on the Operation of the Treaty on European Union*, p. 8.

[185]*Treaty on European Union*, Title VI, Article K.1.

[186]Malcolm Andersen, Monica den Boer and Gary Miller, "European Citizenship and Cooperation in Justice and Home Affairs," In *Maastricht and Beyond*, Andrew Duff ed. et al. (London: Routledge) 1994, p. 118.

[187]*Treaty on European Union*, Title VI, Article K.1(9).

up and running, while Britain refuses to allow the European Court of Justice to have the right to oversee the organisation. In the meanwhile, activities such as 'immigrant smuggling' where desperate migrants pay unscrupulous individuals huge sums of money to get them smuggled into a EU member state has become big business in Europe.[188] It is believed that hundreds of thousands of unsuspecting migrants are smuggled into the EU each year while activities such as prostitution and 'slave labour' have flourished.

Perhaps the most coordinated (to-date) activity addressing immigration as well as policing and customs is what is know as 'The Schengen Agreement' which originally began with five member states: France, West Germany, Belgium, Luxembourg, and the Netherlands in 1985. Much discussion surrounds the Schengen agreement since it is widely recognised that it was negotiated in secret and that the proceedings did not involve consultation with either the European Parliament nor with national parliaments in member states. Today there are ten Schengen members, Italy joined in 1990, Portugal and Spain in 1991, Greece in 1992, and Austria in 1995. Primarily, Schengen has as a goal to complement existing treaties and international agreements relating to policing, immigration and customs. The ultimate purpose behind Schengen is to abolish checks at common EU borders, *a priori* having established a comprehensive and integrated system of monitoring surreptitious individuals.[189] The agreement went into force in March 1995, but only seven members -- Germany, the Netherlands, Spain, Portugal, and the Benelux states have abolished border checks on travellers between their countries. France at present refuses to implement Schengen. The Schengen Agreement has devised a common visa policy and a common asylum policy for its members. One of the most controversial aspect of Schengen is SIS -- the Schengen Information System -- which is a communications system which has information on wanted criminals and suspects, 'undesirable' aliens, missing persons, etc. When completed, this database will store some one million names of individuals which member states should be on the look-out for. However, in the absence of any legal body to take responsibility

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[188] *See The European*, "Europol Warns on Trade in Migrants," 1-7 February 1996 and "Tangled Web of Human Smuggling," *The European*, 11-17 April 1996.

[189] A Conference of Schengen members which was to be held in early March 1996 has been postponed due to an inability of some members (France and the Netherlands) to agree upon certain aspects of a drug law thus creating further setbacks to the agreement. *See* "EU Open Borders Pact Dealt New Blow," *Financial Times*, 15 February 1996, p. 2. A recent wave of terrorism in Europe, particularly in Britain and in Spain, has likewise dampened hopes of fully implementing Schengen. Issues such as extradition and judicial cooperation remain disputed among Schengen members, most recently between Spain and Belgium over suspected Basque terrorists. *See* "Terror Wave May Block Open Borders," *The European*, 22-28 February 1996, and "Spain Gets Tough Over 'ETA Pair,' *The European*, 29 February-6 March 1996.

for particular actions or for that matter to enforce or interpret the Schengen agreement, there is much left up to individual member states and their differing legal systems and traditions to sort out. This deficiency has no less created a problem of democratic accountability. As John Benyon et al. have appropriately noted:

> The Schengen agreement fails to meet standards for the ideal prototype in the arrangements for democratic accountability. Each of the levels of administration is directly responsible to that immediately superior to it and at the top the ministers are responsible to their own national parliaments. However, there is no provision for public accountability or redress for citizens of Schengen countries, or for persons from outside Schengen countries.[190]

Obviously in the absence of a common immigration and migration policy, Schengen has filled a gap in the area of transborder cooperation as regards policing and matters of surveillance. What remains in dispute is whether the Council of Ministers which acts as the Executive Committee is the appropriate forum for decision-making and implementation.

The fact remains that it is nearly impossible to develop a means to efficiently police external borders to the degree that no illegal transborder crossings occur. For a country like Greece, which has hundreds of miles of sea border, it is indeed a formidable feat. The country's mountainous terrain in the north likewise hinders totally effective policing of borders. Given the sheer number of asylum seekers and immigrants wishing to enter EU member states, it is as well unrealistic to assume that a percentage of these individuals will not be seduced into attempting to enter into EU member states illegally. The root cause of immigration, such as economic imbalances among the states of Europe that have become glaring since the fall of Soviet communism need to be examined for any real solution to be found, but this is beyond the scope of discussion here.

3.7 Conclusion

Both this and the previous chapter have attempted to elucidate the various aspects of the European Union which have relevance to the question of legitimacy. The previous discussion applying the five dimensions of the legitimacy question selected here for examination revealed where the Union is most bereft of political legitimacy in the operation of its institutions and where it lacks social legitimacy in its

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[190]John Benyon, Lynn Turnbull, Andrew Willis and Rachel Woodward, "Understanding Police Cooperation in Europe: Setting a Framework for Analysis," In *Policing Across National Boundaries*, Malcolm Andersen and Monica Den Boer eds., (London/NY: Pinter Pubs.) 1994, p. 56.

unsuccessful attempts to inspire a common European social space. This chapter has focused on the process by which policy and decisions are taken, stressing that the attempts to create more openness and transparency of EU operations has not lent the degree if legitimacy to the EU that was intended by those promoting the European project. The 'democratic deficit' and the 'credibility gap' still loom large within the Union. The various policy areas which were selected for discussion here have aspired to interrogate specific dilemmas facing particular policy fields. The Agreement on Social Policy, EMU, and migration and immigration issues are likewise areas of concern which will help to enlighten a discussion of the case of Greece which will be the focus of Part II of this study.

This brief overview of some of the concerns of the EU as they feed into the question of legitimacy should by no means be mistaken for a comprehensive study of the phenomenon of legitimacy and the EU. That would require a study unto itself. The purpose here has been to extract some of the features of the legitimacy question as they are played out in the EU to make more explicit the dynamics involved in the relationship between Brussels and member states.

The next endeavor of this study will be to apply the five aspects of legitimacy discussed above and in the previous chapters to the case of an EU member state -- Greece. The hope is that this will make more concrete an analysis of legitimacy as it pertains to the particulars of the case of Greece.[191]

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[191]The reader should note that the order that has been selected for applying the dimensions of legitimacy to the European Union is not the same order which has been selected for their examination of the case of Greece. This has been done consciously and for a particular purpose. The reasoning behind this primarily rests on the belief that the European Union, as neither a state nor a supranational structure, has very specific characteristics unique to it which creates the necessity for one to apply the five dimensions in a way which can best facilitate an examination of the question of legitimacy. The order by which the five dimensions will be applied to Greece in Part II are those as stated in Chapter One.

PART II

Applying the Dimensions of Legitimacy to the Case of Greece

Chapter Four

GREEK CIVIL SOCIETY

4.1 Introduction

This chapter enters into less charted territory by attempting to examine the concept of civil society as it can be applied to the case of present-day Greece. Greek society today is an amalgamation of characteristics from its Ottoman past as well as more modern features. It seems fruitful, therefore, to begin first by recalling the traces of the Ottoman legacy that are still quite recognisable within contemporary Greek society. Greece's membership in the EU and its effects on Greek society will also be investigated to show the ways in which EU membership has influenced the Greek social environment. The last part of this chapter will remark upon the complex relationship between the individual and society in Greece so as to make more perceptible the distinctiveness of the Greek people. The underlying intention is to reveal the dynamics which are involved in civil society in Greece which can help better to explain the question of social legitimacy.

4.2 The Ottoman Legacy and the Greek State

The birth of the Greek state which took form by 1830, ushered in an era of liberation and state formation for the Balkan region. What was unique about this movement of liberation and state formation in Greece and in her Balkan neighbours was that the states that were initially formed contained only a fraction of what some might regard as their true ethnic and linguistic populations. The original Greek state, for example, began with only a small percentage of the Greek-speaking people who were to be found throughout the southern Balkan region and the Near East, and of the territories that were historically perceived to be Greek. Romania, Serbia, and Bulgaria, which also formed into independent states during the nineteenth century also began with limited populations, although their 'people' were not as scattered about as the Greeks were. (Today Greece has a large diaspora population as many Greek neighbourhoods, filled with Greek immigrants, are to be found in cities throughout the Americas, Europe, Asia, Australia and Africa). It should come as no surprise then, that one of the guiding ideological forces of the newly independent Greek state was to be the Μεγάλη Ιδέα -- roughly translated as 'Great' or 'Grand Idea' -- which had as its main goal the uniting of all Greek-speaking people into the Greek kingdom. The *Great Idea* envisaged Constantinople as the principle city

which would act as a beacon for the Greek kingdom that was to bring together all Greek-speaking populations.[1] This vision, however, was effectively crushed by 1922-23 when Greek armies were driven out of Smyrna by Turkish forces (this historical event referred to as the Μικρασιατική Καταστροφή -- 'Asia Minor catastrophe'), and mandatory population exchanges with Turkey would again reshuffle nearly one million Greeks from Asia Minor to parts of the Greek state proper.

The Greek state thus must be understood and analysed today in light of its historical ties with its Ottoman past which was characteristic of what Max Weber identified as 'traditional' forms of authority -- sultanism and patrimonialism.[2] These types of agrarian, pre-modern societies which were under centralised political regimes developed certain 'defence mechanisms' to deal with their despotic, corrupt rulers. It is important to recall this, because even after gaining its independence, Greece continued many of the traditional practices that it had acquired under nearly four centuries of Ottoman rule. Some of these practices -- such as that of suspicion and distrust of political authorities and of the state, the use of patron-client networks and the extended family -- emerged under Ottoman rule and became incorporated into the socialisation process which was passed down to future generations. Thus although Greece became a parliamentary democracy after independence, its social and cultural environment was a product of its eastern heritage and these characteristics make it distinct in many ways from its EU partners. Thus traditional social arrangements, such as clientelist networks, underwent adaptations with the emergence of parliamentarism after Greek independence, but they did not disappear from the political and social arena. The intention in the analysis which follows is to expose where these traditional features appear to fill in the gaps of legitimacy within the political and economic environments. At the same time the discussion will exhibit how they create tensions, resistance, and obstacles for the modernisation process and for the adoption of a more 'rational' (in a Weberian sense) mentality in Greece.

As mentioned briefly in Chapter Two of this study,[3] the Greek state has been examined in light of two theoretical paradigms, patrimonialism and

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[1]*See* L.S. Stavrianos, *The Balkans Since 1453*, (NY: Holt, Rinehart and Winston) 1958, pp. 269-299; and Richard Clogg, *A Concise History of Greece*, (Cambridge: Cambridge University Press) 1992, pp. 47-99 for historical accounts of this era of nation building in Greece.

[2]Max Weber, *Economy and Society*, Guenther Roth and Claus Wittich, eds., (Los Angeles, California: University of California Press) 1978, Vol. 1, pp. 231-241.

[3]*See* Chapter Two in this study, especially 2.5 The Greek State.

underdevelopment. Although distinct in many ways, these theories and their conclusions are not mutually exclusive; on the contrary, one can utilise both theoretical frameworks which often complement each other. Obviously the former framework emphasises socio-cultural variables in its analysis, while the latter underscores the economic determinism associated with Greece's development, or rather its lack thereof. For the purpose of examining the Greek state and civil society, therefore, observations and explanations from these two theories will be drawn upon. The relationship of state and nation (έθνος -- ethnos) in Greece will be discussed when examining security and defence issues in Chapter Eight of this study. As will be later revealed, this relationship has contributed to an embodiment of the notion of ethnos into the modern Greek state in a far-reaching manner which is also tied into the question of legitimacy. An explanation of the idea of πατρίδα (*patreda* -- roughly translated as homeland, referring to a paternalistic attachment to one's country and more particularly to one's particular locality) will likewise be taken up in Chapter Eight.

4.3 The Greek Civic Environment

When compared with her northern EU partners, Greece has an undeveloped, weak civic environment. This can be partially explained historically due to the fact that Greece did not experience the effects of 19th century liberal theory which introduced modern civil society (and its structures and institutions) to the rest of western Europe.[4] Isolated as she was nestled within the Ottoman Empire, Greece initially remained relatively unaffected by the movements of the Renaissance and the Enlightenment which were spreading their ideas across western Europe. Furthermore, it was not until the early twentieth century that Greece would begin to effectively industrialise and thus develop the accompanying western structures and institutions (and even then in a dysfunctional, contorted form). The middle class, farmers, and budding entrepreneurs in Greece throughout the 19th century as well as into the early part of the twentieth century (and many could claim this is still true today) remained dependent on the omnipresent state -- not the developing capitalist market -- for their survival.[5] The state thus formed into a giant patron-client

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[4]*See* P. Nikiforos Diamandouros, "Greek Political Culture in Transition: Historical Origins, Evolution, Current Trends," In *Greece in the 1980's*, Richard Clogg, ed., (London: MacMillan) 1983, pp. 43-69.

[5]*See* Nicos Mouzelis, *Modern Greece: Facets of Underdevelopment*, (NY: Holmes & Meier Publishers, Inc.) 1978, especially pp. 3-29, and his "Modernity, Late Development and Civil Society," In *Civil Society*, John Hall, ed., (UK: Pinter Press) 1995, pp. 224-249. *See* likewise the seminal work by L.S. Stavrianos, *The Balkans Since 1453*, *op. cit.*, especially pp. 467-482 for a discussion of Greece from the end of the nineteenth century to just before the First World War.

mechanistic network, employing huge numbers of individuals who would support those in power with their votes.[6] Hence according to many who have studied and analysed the Greek state at its inception, the role that the state had as one of the main employers perpetuating patron-client relationships hindered the general economic development of Greece, and certainly stifled (and perhaps even suffocated) the development of other voluntary institutional forms and structures which could have acted as counterbalances.[7]

Other determinants which indirectly remain responsible for the retarded growth of Greek civil society immediately subsequent to Greek independence are the result of exogenous economic and political factors which have often had repugnant effects. It must be kept in mind that Greek internal affairs have been very much affected by foreign powers (in the early stages of Greek independence and up to World War Two primarily by the British, and in the post-World War Two era by the Americans).[8] Due to Greece's geographical location, she has always been viewed as an important country strategically by the west, acting as a democratic stronghold in southeastern Europe. Numerous historical examples can be recalled to testify to the fact that due to foreign pressures, Greece's domestic politics and hence society has been decidedly influenced by international actors, this being particularly evident during the years 1832-1923,[9] so much so that Greece's national sovereignty was made ambiguous. Therefore one needs to consider how foreign policy matters have indirectly intervened in the development of Greek society, as political leaders in Greece have frequently been preoccupied with foreign policy issues which become intertwined with domestic concerns. As will be discussed subsequently in this study in Chapter Seven, the Greek economy and Greece's economic development (or underdevelopment) has also been decisively influenced by the influx of foreign capital.

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[6]For example, during the decade of 1870, Greece had (among every 10,000 residents) approximately seven times more civil workers than did the United Kingdom. These statistics found quoted in Nicos Mouzelis, (in Greek) "Το Κράτος Στην Υστερη Ανάπτυξη: Ιστορικές και Συγκριτικές Διαστάσεις." *Ελληνική Επιθεώρηση Πολιτικής Επιστήμης*. (Αθήνα: Θεμέλιο) Ιανουάριος 1993, σ. 73.

[7]*See* Nicos P. Mouzelis, *Politics in the Semi-Periphery: Early Parliamentarism and Late Industrialisation in the Balkans and Latin America.* (London: MacMillan) 1986.

[8]For an historical explanation of how foreign powers have affected Greek internal affairs, *see*, Theodore Couloumbis, John Petropoulos, and Harry Psomiades, eds. *Foreign Interference in Greek Politics*, (NY: Pella Publishing Co.) 1976. *See also* Susannah Verney and Theodore Couloumbis "State-International Systems Interaction and the Greek Transition to Democracy in the mid-1970s," In *Encouraging Democracy*, Geoffrey Pridham ed., (NY: St. Martin's Press) 1991, pp. 103-124.

[9]Theodore Couloumbis, John Petropoulos, and Harry Psomiades, eds. *Foreign Interference in Greek Politics*, *op. cit.*, esp. pp. 35-46.

Following from the above discussion, it is possible to enumerate at least four features central to an analysis of civil society in Greece.

(1) As mentioned in Chapter Two, Greece continues to be characterised by a highly centralised state in which the central government holds the reigns of power and assigns and distributes precious state resources, which continuously feeds the patron-client system. Since the locus of power is at the centre, it is here where the decision-making process occurs and where the negotiations and deal-making takes place. As will be discussed in the next chapter, Greece's centralised administration is also mirrored in the structure of the political system (for example, a unicameral Parliament, the absence of 'separation of powers' and of 'checks and balances,' executive -- Prime Ministerial dominance over the legislature). Recent attempts at decentralisation have not as yet been successful at functionally devolving power to local governmental units.

(2) There are entrenched patron-client networks still in operation today which Greece inherited from her Ottoman past which have resulted in a commingling of the 'private' vs. 'public' spheres. Structurally, (on a 'macro' level) this can be seen through: (a) church and state which are not separate -- the Greek Orthodox religion is taught in the public schools in Greece, thus Hellenism is still identified with Orthodoxy; and (b) various civil laws, which although radically restructured in the 1980's,[10] are still indicative of gender inequalities which perpetuate the patriarchal nature of Greek society. On a day to day basis (micro-level), one witnesses this 'commingling' of the private vs. the public spheres in public offices -- banks, tax offices, etc. -- and through public services -- utilities and hospitals, for example, where preferential treatment is dispensed to those who have a 'messo' (literally translated as a go-between, meaning a *connection* or personal contact) who can expedite the bureaucratic red tape which results in delays and squandered time. The large number of self-employed in Greece as well indicates this coalescing of private and public domains, in which family businesses are still very widespread in Greece.

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[10]For a description of Family Law 1329/83 that was passed by PASOK eliminating the προίκα -- dowry, legalising civil weddings, etc., and Family Law 1483/84 which outlined the specifics of 'parental' leave, *see* Laura Cram, "Women's Political Participation in Greece Since the Fall of the Colonels: From Democratic Struggles to Incorporation by the Party-State?" *Democratization*, Vol. 1, No.2, Summer 1994, pp. 229-250. For another overview of the social policies undertaken during PASOK's tenure in power in the 1980's, *see* Adamantia Pollis, "Gender and the Social Change in Greece: The Role of Women," In *The Greek Socialist Experiment*, Theodore C. Kariotis, ed., (NY: Pella Pub. Co.) 1992, pp. 279-303.

(3) There is immature associational and interest group formation[11] partly due to the over-riding position that the *political* environment (i.e. the political party system) has over the *social* in terms of organisational power. As Sotiropoulos has accurately described:

> There are only a few ethnic and linguistic minorities in Greece; the church is bound to the state; voluntary associations are sparse and social service organizations are sanctioned by the state; gender groupings, peace movements, and environmental groups do not enjoy a long life, and they usually fall under the tutelage of one of the political parties. In short, many private or independent associations and institutions in Greece are unable to support a strong civil society.[12]

The development of 'horizontal' organisations in Greece which could break the patronage networks has been slow. As to the cause of this, there are varying opinions: on the one hand it has been argued that *because* political parties play the central role in society, 'horizontal' organisations are frail and short-lived; on the other hand, in the absence of interest and associational groups, political parties have taken on the role of being the main instrument for communication between social forces and the state. In the former argument the political party system is seen as the cause hindering the development of such organisations; in the latter argument, the absence of such organisations has precipitated the all-encompassing role of political parties. Viewed together, however, these two positions appear to be two sides of the same coin, and their conclusions are in fact quite complementary.

(4) The state bureaucracy, best characterised as a bloated public sector, is an administrative state apparatus which serves the government (the party) in office and which simultaneously perpetuates the patrimonial nature of the Greek state.[13] Since each party that comes into office places into the bureaucracy *its own people* (which

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[11]*See* Dimitri A. Sotiropoulos, "A Colossus with Feet of Clay: The State in Post-Authoritarian Greece," In *Greece, The New Europe, and the Changing International Order,* Harry J. Psomiades and Stavros B. Thomadakis, eds., (NY: Pella Publishing Co.), 1993, especially pp. 49-52.

[12]*Ibid.*, p. 51. *See also* Laura Cram "Women's Political Participation in Greece Since the Fall of the Colonels: From Democratic Struggles to Incorporation by the Party-State?" *op. cit.*, who explores the issue of women's participation in Greece through political parties and in her conclusion suggests that "In some respects then the women's organisations may have damaged their own cause as women are increasingly joining the new women's sections of the major parties rather than the broader women's organizations." p. 246.

[13]Christos Lyrintzis has labeled this relationship between the bureaucracy and party patronage as 'bureaucratic clientelism' which he explains is " .. a distinct form of clientelism and consists of systematic infiltration of the state machine by party devotees and the allocation of favors through it. It is characterised by an organised expansion of existing posts and departments in the public sector and the addition of new ones in an attempt to secure power and maintain a party's electoral base." "Political Parties in Post-Junta Greece: A Case of 'Bureaucratic Clientelism'?" *West European Politics*, Vol. 7, No. 2, April 1984, p. 103.

means it creates more positions in the bureaucracy since a majority of public sector jobs are permanent positions), it has become nearly impossible for the bureaucracy to formulate a plan for modernisation and put it into practice in the time period during which that party holds the reigns of power. The irony is that the bureaucracy creates more bureaucracy and an endless spiral is formed which means that it has been very difficult to consolidate and manage. The Greek state started out with a plump, hydrocephalic bureaucracy which continued patron-client relationships as opposed to creating an independent bureaucratic structure (à la Weberian model) that could become part of a modern institutional-structural formation.[14]

A unique characteristic of the Greek public sector and of citizens' desires to become part of it which captures the essence of the matter is that "... Greece is the only capitalist economy in Europe in which the vast majority of its youth aims at a nonproductive position in the public sector ..."[15] Citizens find public sector positions alluring as they provide for job security, which means that they are not easily made redundant; they have attractive health and social welfare benefits, standard vacation time, standard working hours, etc., and they are not under any pressure within the work environment to produce. All these appear to make the public sector appealing, even though salaries are not as high as in the private sector, and there are certainly not many (or any) opportunities which allow for individual innovation or creativity.

Based upon these aforementioned four points one can arrive at some tentative conclusions.

First, the avenues by which political participation occurs in Greece is through political parties which are the main actors in the absence of interest groups and voluntary associations. The political party as a political structure within the Greek political system in the post-junta era has taken on exaggerated proportions. This is partially historically explainable and partially understandable due to modern political leadership which has done nothing to eradicate party rivalry and indeed often feeds on and enhances it for its own political purposes. As has been mentioned in regards

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[14]Dimitris Sotiropoulos again discusses the relationship between the Greek bureaucracy and political parties in Greece in a more polished form found (in Greek) in "Κρατική Γραφειοκρατία και Πολιτικά Κόμματα στη Μεταπολιτευτική Ελλάδα: Μια Σχέση Ανισορροπίας." *Ελληνική Επιθεώρηση Πολιτικής Επιστήμης*. (Αθήνα: Θεμέλιο) Οκτώβριος 1993, σ. 83-100. In English see his empirical study of Greek bureaucrats and politicians "Bureaucrats and Politicians: A Case Study of the Determinants of Perceptions of Conflict and Patronage in the Greek Bureaucracy under PASOK rule, 1981-1989," *British Journal of Sociology*, Vol. 45, No. 3, Sept. 1994, pp. 349-365.

[15]James Petras, et. al. "Greek Socialism: The Patrimonial State Revisited," In *Mediterranean Paradoxes*, James Kurth and James Petras eds. (Providence, Rhode Island: Berg Publishers) p. 170.

to the penetrating role of political parties and how this has affected civil society. " ... Greek civil society is weak because it has itself been permeated by party politics and, as a result, the state cannot count on civil society to fend off political parties."[16]

Second, although there remain formidable problems in enhancing a society such as the Greek one which consists of an uneasy coexistence of certain congenital traditional features along with evolving modern characteristics, the reality is that modern Greek governments have done nothing substantial to transform onerous socio-economic structures which perpetuate the existing patrimonial state. Neither of the two main political parties have effectively put into practice a successful modernisation programme to bring about real structural change. Instead, they have created institutional changes, as PASOK did in updating civil laws in the 1980's, but "[t]he institutional changes were shallow and fragile, specially as they were imposed from above by party-state bureaucracies rather than organically developed from below by the independent will and participation of the people."[17] Thus the 1980's and 1990's have been decades where the existing (traditional) social, political, and economic structures persist despite promises made by governments to change the status quo. Both PASOK and New Democracy have periodically promised that public sector jobs will be based on examination, i.e. meritocracy, for example, yet promoting *one's own* public employees --those who are of the same party that is -- still goes on in practice. In April of 1995 examinations for public sector jobs saw a 50% turnout only (of those who originally signed up to take the examinations), and as was commented in the press at the time, perhaps this was because the public was not convinced that there would be a merit system after all in determining public sector positions, even though examinations were held.

The Greek educational system is another structure which is in need of vast regeneration.[18] Antiquated means of teaching are still employed within a system which emphasises passive learning, memorisation, and the status quo. Instructors at university require their own texts as requisite reading and often do not introduce other works or materials by other scholars. Bereft of both intellectual stimuli and the necessary physical resources such as adequate university classrooms, computer technology, library facilities, etc., the Greek university environment has been unable

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[16]Dimitris Sotiropoulos, "A Colossus with Feet of Clay: The State in Post-Authoritarian Greece," *op. cit.*, p. 51.

[17]James Petras, et al, *op. cit.*, p. 189.

[18]*See* OECD Examiner's report, *Educational Policy Review: Greece*, April 1996, requested by the Greek government, which confirms some of the observations made here about the need to introduce structural changes into the Greek educational system. *See* especially Part V of the report "Needed: A Strategy for Change."

to assist in the process of socialisation which could eradicate undesirable characteristics of society such as intolerance, rigidity, formalism and arrogance. The fact that the constitution does not acknowledge private educational institutions operating in Greece at the tertiary level is another indication that changes are needed. What has occurred in the field of education in the absence of a sufficient number of places at the state run universities is that other institutions of higher learning have emerged to fill in the gaps. While a few of these private educational institutions are serious centres of learning, the vast majority are out to seek profit without a fundamental concern for the quality of education they provide. At present in Greece there is no organisation, voluntary or state run, that is overseeing what these institutions are teaching which could act as a vehicle for accreditation thus requiring certain educational standards. Such examples as these visibly lay bare the claim for renovating Greek structures and institutions.[19]

Hence the stale environment in Greece can be attributed to modern governments throughout the past fourteen years -- regardless of which party has been in power -- which have not modernised Greek state infrastructures resulting in Greece finding herself in one of the most disadvantaged positions economically among her EU partners. Modern governments' inability to activate the process of modernisation can partially explain the low level of *social* legitimacy, using Weiler's definition of the term,[20] felt among citizens for recent governments. This is a socio-cultural factor which weighs heavily into the question of legitimacy in Greece.

Third, the former Byzantine regime and its patrimonial character and "... the conception of the self held by the Greek Orthodox Church -- a conception based mainly on mystical experience"[21] are two factors, according to Charalambis and Demertzis, which have prevented the formation of a modern understanding of citizenship in Greece.

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[19]What needs to be also mentioned is that Greece has not fully implemented EU Council Directive of 21 December 1988 "on a general system for the recognition of higher-education diplomas awarded on completion of professional education and training of at least three years' duration." (89/48/EEC), *Official Journal of the European Communities*, No L 19/16, 24 January 1989. An action was brought against Greece by the Commission on 27 July 1993, 93/C 244/08, for not implementing this directive, and it went to the European Court of Justice, Case C-365/93, 23 March 1995, who found that Greece failed to fully implement the Council Directive and thus failed to fulfill its obligations under the EEC Treaty.

[20]*See* Chapter One in this study.

[21]Dimitris Charalambis and Nicolas Demertzis, "Politics and Citizenship in Greece: Cultural and Structural Facets," *Journal of Modern Greek Studies*, Vol. 11, No.2, Oct. 1993, pp. 219-240.

The role of the Greek Orthodox Church in society indeed continues to be a dynamic one. As was mentioned previously, church and state in Greece are united,[22] and the Greek Orthodox religion is taught in public school, from grammar school through to the end of λύκειον (in other words, up until university level education). On ones' identification card (ταυτότητα -- taftotita) there remains a description and place for *religion*. Unless otherwise specified, *Greek Orthodox* is almost always automatically placed in the description slot. The constitution protects Orthodoxy by defining it as the official religion of the country. Priests' salaries as well are derived from the national budget since by law they are 'public' workers. What also must be kept in mind when discussing religion is that there is a very high level of religious homogeneity in Greece today.[23] This does not mean that there are not ethnic and religious minorities residing in Greece at present, but they make up a very small percentage of the overall population. The Greek Church (Εκκλησία --'Ekllisia') is a very important and integral institution in Greek society, and plays a decisive and defining role for the Greek people.[24] The Orthodox Church has taken on a secular role at times as well, for example from December 1944 to September 1946, Archbishop Damaskinos of Athens served as αντιβασιλεύς - regent - until the arrival of King George II. A second example is that of Cyprus, when Archbishop Makarios III acted as Archbishop *and* president of Cyprus from 1960-1977. There are many who are of the opinion that in fact the church has acted as a legitimating force for the political regime in power by supporting the status quo.[25] The Church openly supported the military junta in Greece from 1967 to 1974, which revealed most pronouncedly its authoritarian political leaning. The leader of the military junta, Colonel Papadopoulos, in an attempt to solidify his position with the church, forced the then archbishop to resign and replaced him with the choice of the Palace, Archbishop Ieronymos Kotsonis in 1967. Several other bishops were likewise ousted and replaced with more pro-junta religious personnel. When Papadopoulos was replaced by Brigadier Dimitrios Ioannidis in 1974, Archbishop Ieronymos was forced out, and the new military leader replaced him with Archbishop Seraphim of Athens.

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[22]The 1975 *Constitution of the Hellenic Republic*, Section II Relations of the Church and State, Article 3.

[23]Greece has the highest level of religious homogeneity within the EU, with 98% of the population identifying itself as Greek Orthodox. EUROBAROMETER #42, Spring 1995, B.61.

[24]*See* Theofanis G. Stavrou, "The Greek Orthodox Church and Political Culture in Modern Greece," In *Greece Prepares for the Twenty-first Century*, Dimitris Constas and Theofanis G. Stavrou eds., (Baltimore and London: The John Hopkins University Press) 1995, pp. 35-56.

[25]*See* Adamantia Pollis, "Eastern Orthodoxy and Human Rights," *Human Rights Quarterly* 15, The John Hopkins University Press, 1993, pp. 339-356.

Hence Eastern Orthodoxy as a religion, reinforcing spiritualism and mysticism, negating the idea of individualism[26] while exemplifying devotion to God, is seen to be in contradistinction to the modern western *rational* world view of natural rights and fundamental freedoms. Religion, therefore, appears to be one of the traditional characteristics of Greek society which most pronouncedly has been used to reveal the schism between *East* and *West*, between Greece's traditional heritage and its striving towards acquiring a European identity. In response to the EUROBAROMETER question of "Whether you do or don't follow religious practices, would you say that you are ...?" 93% of those polled in Greece answered 'religious' as opposed to 'not religious,' 'an agnostic,' 'an atheist,' or 'don't know.'[27] Greece had the highest percentage of those who responded 'religious,' followed by Portugal and Ireland, respectively. However, ones' relationship with religion and with God (or some other force) is a very personal and private affair, and sweeping generalisations of how Greeks have internalised Orthodoxy and how this has affected their views would be bereft of meaning (that is a vast topic which cannot be explored here in any depth). Having said that, however, it is clear that Eastern Orthodox dogma is in stark contrast to the worldly *natural* rights and freedoms that were espoused during the era of the Enlightenment and which became part of modern constitutional frameworks. Therefore, any analysis of Greek society cannot ignore the role of the Greek Orthodox religion and its impact on the individual and on society as a whole. However, it would be equally as erroneous to assume that Greek Orthodoxy cannot be reconciled with the features of present day society. There are those who are of the opinion that several main tenets of Orthodoxy, such as those of understanding relationships of love, love of God, and ones' person -- πρόσωπο (as opposed to individuation, meaning viewing individuals as entities) and that of society, are indeed reconcilable with those features promoting the modernisation of Greek society.[28]

Whatever one's interpretation of the role of Greek Orthodoxy in society, what remains undisputed is that it plays a defining role for a large percentage of the Greek population. It continues to influence the political culture of the country and colours discussions on a variety of social issues. Church authorities are very vocal and their commentaries often appear in the mass media reflecting the views of the Church.

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[26]"In Eastern Orthodoxy there is no individualization of the person. Except for gender, humans are undifferentiated; there is no recognition of individual personality. Persons are interchangeable parts of the mystical unity of the religious community ..." *Ibid.*, p. 343.

[27]*See* EUROBAROMETER #42, Spring 1995, B.61.

[28]For a provocative discussion of the Enlightenment and Orthodoxy, *see* Nicos Mouzelis (in Greek) "Διαφωτισμός και νεορθοδοξία," ΤΟ ΒΗΜΑ, *Νέες Εποχές*, 21 Μαϊου, 1995, σ. Β1-Β2.

Nevertheless the massive influence the Church has had on Greek society in the past is no longer apparent in Greece in the 1990's. However, its ability to determine public opinion and to contour civil society should as well not be overlooked nor underestimated.

4.4 How EU Membership Has Affected Greek Society

The question of how Greece's membership in the Union has influenced Greek society has most recently begun to preoccupy Greek scholars who have attempted to establish the ways in which Greek society has either been 'favourably influenced' or 'adversely affected' by the European integrative process. As a fifteen year time period has now elapsed since Greece first entered the Community, opinions can be obtained from various sources -- academic, political, business -- which seem to either declare that Greece's membership in the EU has been its *saving grace*, or contrarily, has resulted in Greece's social disintegration.[29]

For example, there is one point of view which claims that EU membership has once and for all placed Greece within the 'western' world, and thus has positively identified her with the *west,* not only geographically but socially, politically, and economically as well. As Arghyrios Fatouros has written: " ... entry in the EC provides a final answer to the age-old question, whether Greece belongs to the West or the East -- ... Greece has aligned itself with rationality and individualism as against organic community processes and spontaneous, if not irrational, urges." [30] For authors like Fatouros, the dilemma over whether Greece belongs to the East or the West has finally come to an end, and Greece's Eastern tradition is *not perceived* as contradicting western modernisation or western values but instead "... is seen rather as an element that enriches (or can enrich) Greek society and life."[31] However, the mere fact that this question is still being discussed and argued seems to reveal that there are still discrepancies and different interpretations as to exactly how Greece is (and should be) identified.[32] Additionally, it can be said that belonging to an organisation such as the EU may be symbolic of adopting new values, but

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[29]For an analysis of these two conflicting cultures found within Greek society, *see* P. Nikiforos Diamandouros, "Politics and Culture in Postauthoritarian Greece, 1974-91: An Interpretation," Richard Clogg, ed. *Greece, 1981-1989: The Populist Decade,* (NY: St. Martin's Press) 1993, pp. 1-25.

[30]Arghyrios A. Fatouros, "Political and Institutional Facets of Greece's Integration in the European Community," In *Greece, The New Europe, and the Changing International Order, op. cit.*, p. 23.

[31]*Ibid.*, p. 35.

[32]For a very polemic essay on Greece and her sense of identity *see* Nikolaus Wenturis "Political Culture," In *Greece and the EC Membership Evaluated,* Panos Kazakos & P.C. Ioakimidis eds., (NY: St. Martin's Press) 1994, pp. 225-237.

substantive evidence of these new values being adopted and operationalised is also required.

Positive responses to EU membership have as well come from those who see Greece's membership in the EU as a way of forcing constructive reforms within existing Greek structures that would not easily occur otherwise. As Stavros Thomadakis has remarked concerning the Greek public sector:

> ... the Greek public sector will increasingly have to operate in an environment where its performance will be measured by not only a domestic but also an international yardstick. Thus under the influence of increasing mobility, it will come under pressure to provide goods and services also offered by public sectors of more advanced economies in Europe.[33]

The notion here is that Greece will have to abide by a higher standard of living -- those of the more advanced European partners, and thus in one way or another will be forced to reform the public sector (and other infrastructures) so as to meet the requirements for EU integration. Although this appears to be a plausible argument, if one observes the economic realm where numbers can sometimes facilitate explicit comparisons, the somber reality is that Greece is still very far away indeed from reaching economic integration, no matter how *integration* is defined.[34] Greece unfortunately also has not upgraded social services and in general the overall organisation of the public sector continues to operate in the same manner as it has in the past. Thus the process of change in Greece has met up with many obstacles, both from those who are opposed to change because it is perceived of as foreign, and from those who fear that it will create innumerable disruptions to a well-established way of life. Resistance to change continuously arises from a large number of Greek citizens who are directly dependent on the state for employment, for example. That Greece has been affected in many ways by policies decided on in Brussels and Strasbourg and continues to be affected is not doubted. What seems presently unrealistic is to assume that simply as a consequence of EU membership, Greece will metamorphose into a modern western state on par with her north European partners. In other words, indigenous forces need to match exogenous forces promoting change for progress towards modernising the Greek state to occur successfully. The case of Greece's underdeveloped civil society and its relationship with the EU may be important in another way, however -- that which concerns

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[33]Stavros B. Thomadakis, "European Economic Integration, The Greek State, and the Challenges of the 1990s," In *Greece, The New Europe, and the Changing International Order*, *op. cit.*, p. 360.

[34]Despite the fact that Greece's inflation rate fell below 10% in May 1995 for the first time in twenty-two years.

further enlargement of the Union with members from Eastern and Central Europe joining. When and if the Union expands towards Central and Eastern Europe, the case of Greece may prove salutary for those countries which have passed through similar historical experiences (i.e. other Balkan countries).

A consideration of popular responses to EU membership reveals there is certainly a sizable percentage of the Greek population which believes that EU membership will secure for Greeks civil liberties that would otherwise not be assured by the national government. European Union membership is also seen as a way to bring to Greece a higher social status within Europe and within the international arena, as was mentioned above. EUROBAROMETER surveys confirms Greeks' belief that EU membership is 'a good thing' and they believe likewise that their country has benefited from membership. However, somewhat ironically, at the same time, when asked how much they felt they knew about the Maastricht Treaty, for example, 67% of those asked admitted they 'knew just a little' or 'heard of it, but nothing else.'[35] What can be surmised from these surveys is that Greeks support the EU, but they appear to be unsure of what it is they are supporting. In other words, a majority of the Greek population is not informed (or worse still is *ill* informed) about EU policies and processes. Too few Greek political authorities know the details of the *Agreement of Social Policy* and what that entails, for example. The general public knows little or nothing about these issues, as they are little discussed in the Parliament and only superficially in the press. There is also a percentage of the Greek population that views the EU as a panacea for the countries economic woes, and thus they somewhat blindly support the EU simply for the monetary resources which Greece receives from the EU and carry the hope that the EU will somehow rectify Greece's economic difficulties. It has become somewhat common knowledge in Greece that a few individuals have made huge sums of money using EU funds in ways not intended by those who have dispensed the funds. This illicit use of EU money initially created obstacles in Greece receiving funds through the Second Community Support Framework for 1995-1999.[36]

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[35]EUROBAROMETER, No. 38, December 1992, p. A24. *See also* EUROBAROMETER, No. 39, June 1993, p. 54 where 74% of Greeks did not feel well informed about the EC. The same question six months later in EUROBAROMETER, No. 40, December 1993, sees 78% of Greeks feeling not well informed about the EC. The percentage of *not well informed* Greeks has remained high, while perceived benefit for Greece plummeted 10 percent (from 79% to 69%) in the July 1994 EUROBAROMETER surveys.

[36]The Greek Sunday newspaper *TO BHMA*, reported that after investigation into how Greece spent the First Community Support Framework -- the Delors I Package, the investigative commission of the EU supposedly requested that some 120 million drachmas be returned to the Community coffers, as EU programmes in Greece were not implemented in keeping with Community policy and law. *See* Το ΒΗΜΑ της Ευρώπης, 14 May 1995, p. E1. Unfortunately, the findings in this article

The focal point of discussion here which arises as concerns Greece and the EU is whether or not EU membership for Greece confers a *degree of legitimacy* that the Greek state would not have on its own. This remains a disputed point, as there are those who may be described as 'pro-Europe,' who have argued that yes, indeed, Greece's membership in a European community has dragged it out of its previous weary political, social, and economic condition and required her to aspire to European standards (of living, of production, of growth, etc.). This in turn is seen as giving it a degree of *social legitimacy*, in the sense that improved performance in a European Union carries with it clout in such other activities as diplomacy with other non-EU members. This results in Greece being viewed in a more favourable light by its citizens, thus increasing societal acceptance of governmental activities.

On the other end of the discussion, there are those who believe that EU membership for Greece has just exaggerated her distinctive socio-cultural characteristics as a country and has more pronouncedly revealed that Greece is quite unlike her EU partners, historically, geographically, in terms of economic development, as regards her foreign policy with neighbouring countries, etc.[37] The argument here is that Greece is not part of the *core* and will remain outside not only because she cannot possibly reach the levels of production, and in general of development, which her northern partners now enjoy, but also owing to the perennial legacies of Greece's heritage which have infiltrated the modern Greek state. Thus in this way, Greece does not gain legitimacy by being in the Union; on the contrary, her dissimilar socio-cultural features simply become more conspicuous when they are compared with those of her EU partners.

Furthermore, the remark by Thomadakis that Greeks continue to "... look to Athens, not Brusselles, as the arbiter, manager, and regulator of social, economic, and political affairs in the country"[38] may well be more revealing than first appears. Although certainly Greeks have come to realise that EU membership is affecting them via various policies which are being decided in Brussels, they nonetheless continue to perceive that at the national level they can make their grievances known.

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were based on an *internal document* (confidential) which means that it is unavailable for public viewing since it is officially 'unpublished.'

[37]"... Greece's 'Eastern' historical and cultural legacies make the incorporation and assimilation of fundamental European norms an agonizing enterprise. Many Greeks view the EC primarily in economic terms -- ... while remaining oblivious to more sweeping ramifications. ... For Greece to psychologically and culturally accept a European identity necessitates a massive transformation of its world view." Adamantia Pollis, "Eastern Orthodoxy and Human Rights," *op. cit.*, p. 355.

[38]Stavros B. Thomadakis, *op. cit.*, p. 360.

and that there they can affect the decision-making process (through the existing structures and mechanisms, i.e., the political party system). Therefore the fact that Greeks perceive their country as benefiting from EU membership, and the fact likewise that they support integration in general terms, does not necessarily translate into a high degree of legitimacy for the institutions of the EU (as in the sense of *formal* legitimacy in Weiler's terms). Neither does this enthusiasm that Greeks have for supporting European integration mean that they have been persuaded to believe that issues such as education, cultural policy, and worker rights should become EU competencies.

EUROBAROMETER surveys register some noteworthy opinions held among the Greek general public which also shed further light on Thomadakis's remarks mentioned above. In answer to the question whether they believe *national* issues influence the vote at European elections or *European* issues, 85% of Greeks responded 'national.'[39] Additionally, well over a majority of Greeks believe that the European Parliament should be given more power (57%)[40] and should 'play a more important part than it does now' within the EU.[41] These figures represent the highest percentages among the EU general public. Consequently, the Greek general public appears to be neither convinced that the EU should become the repository for competencies considered to be within national jurisdiction, nor are they satisfied with the way the organs of the EU are operating today.[42] As will be cited in the next chapter of this study, Chapter Five, there is also a very high level of dissatisfaction among the Greek population as to the way democracy works in their own country and in the EU.[43] Interestingly enough, however, these views do not seem to come into contradiction with the fact that Greeks in general terms see the EU as "a good thing" as mentioned previously.

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[39]EUROBAROMETER, No. 41, July 1994, p. 6.

[40]*Ibid.*, p. 6. In answer to the EUROBAROMETER question: "As a European citizen, do you feel that the European Parliament protects your interests," a combined 53% of Greek polled answered "not very well," (40%) or "not at all well." (13%) EUROBAROMETER, No. 42, Spring 1995, B.28. Conceivably, viewed together these public opinion polls could be interpreted to mean either of two things: that Greeks feel that the EP does not have enough power to protect their interests; or contrarily, that even if given power the EP would still not be able to protect their interests.

[41]EUROBAROMETER, #43, Autumn 1995, p. B.49. Sixty-two percent of Greeks polled voiced their desire for a more decisive role for the EP within the European Union.

[42]Discussions about the use of a referendum in deciding further changes and amendments to the TEU are beginning to surface in Greece. In May of 1995, KKE party leader Aleka Paparega requested that any changes proposed at the 1996 IGC should be put to a vote to the Greek people for their approval. *See also*, Roy Watson's "Referendums For All," *The European*, 12-18 May 1995, p.1 for details about the idea of a possible EU-wide referendum for proposed changes to the Maastricht Treaty.

[43]*See also* in this study Chapter One 1.2.2 Democracy.

4.5 The Individual and Society

An additional aspect of concern for those inquiring into how Greek society fits into a European context has focused on the Greek personality and the Greek character.[44] Adapting to European standards and norms are considered to be somewhat of an enigma among a sizable portion of the Greek populace as these supposedly come into contradiction with established (tradition) norms and practices in Greece (i.e. come into antithesis with what it is to be a 'Greek'). Seen in this way, attitudinal changes will need to accompany legislative changes for Greeks to perceive their position in the EU and the process of modernisation as beneficial and desirable.[45] Remarking on what he believes are the particular characteristics of 'Greekness,'[46] Constantine Tsoucalas writes:

> Greeks think they are authentically 'Greek' when they sing, dance, dream, laugh, feel, give, make love, or fight, eventually when they are clever, successful, or shrewd at the expense of others or the collectivity, but never when they pursue, materialize, or submit to rational collective or societal goals.[47]

Tsoucalas's remarks can be interpreted to mean that Greeks never fully adopted western norms and patterns of behaviour such as the 'Protestant ethic' and other characteristics of free market societies. Hence Greece may have embraced western parliamentary democracy and a so-called free market system, but it has continued to cling to its premodern forms which include clientelist patterns of relationships and social organisation and have been resistant to the implementation of modernising forces.[48] Whether these characteristics, and in general whether the nature of

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[44]It seems worth mentioning as well that EUROBAROMETER #42, Spring 1995 recorded that 91% of Greeks polled answered that they were 'very proud' or 'fairly proud' to be Greek, the second highest percentage in the EU after Ireland (93%).

[45]*See*, Constantine Tsoucalas "Greek National Identity in an Integrated Europe and a Changing World Order," In *Greece, The New Europe, and the Changing International Order, op. cit.*, pp. 57-78.

[46]*See also* Adam Ferguson, *An Essay on the History of Civil Society* , where Ferguson, when discussing commerce and trade remarks about the Greeks by writing: "If their animosities were great, their affections were proportionate: they, perhaps, loved, where we only pity; and were stern and inexorable, where we are not merciful, but only irresolute. After all, the merit of a man is determined by his candour and generosity to his associates, by his zeal for national objects, and by his vigour in maintaining political rights; not by moderation alone, which proceeds frequently from indifference to national and public interests, and which serves to relax the nerves on which the force of a private as well as a public character depends." p. 199.

[47]Constantine Tsoucalas, "Free Riders in Wonderland; or, Of Greeks in Greece," In *Greece Prepares for the Twenty-first Century, op. cit.*, p. 200.

[48]*See* P. Nikiforos Diamandouros' discussion of the 'underdog culture' and the 'modernizing culture,' "Politics and Culture in Postauthoritarian Greece, 1974-91: An Interpretation," *op. cit.* For an historical explanation of their derivation, *see* L.S. Stavrianos, *The Balkans Since 1453, op. cit.*, pp. esp. 269-299, who discusses the 'two Greek worlds': that of the 'Phanariotes' and of the Greek peasants.

Greekness can be reconciled with the prerequisites for modernisation remains a contentious issue. As has been discussed above, there are varying opinions as to whether or not Greek society can develop along lines in keeping with those outlined by those promoting the *European project*. For many this question was answered the moment Greece joined the Community and pledged to integrate and coordinate its policies and practices with those of its European partners. For others, the integrative process has been viewed as a painful and perturbing one, especially for the Greek people who have found themselves torn between wanting to experience a European standard of living and all that entails while at the same time seem unwilling to cut their ties with past practices which are inconsistent with modern demands.

One particular group within Greek society which has been cited as that one which best encapsulates this antithesis is that of the new middle class. The rise of a new middle class in Greece --sometimes referred to as the *nouveaux riches* -- during the decades of the 1970's and 1980's were those who were most against 'footing the bill' of modernisation. As Petras, et. al. have written:

> Nourished on the myth of being an outsider, it [the new middle class] had consumed beyond the productive capacities of the state. Believing that its private gains were simultaneously social gains for everyone, it perceived and aggressively presented any serious revenue-raising by the state as an attack on "the people." This blindness on the part of the new middle class virtually precluded that the bourgeois republic would be able to ground itself on the same social content as the postwar regimes of Northern Europe.[49]

Thus this new middle class wanted to reap the benefits of consumerism and the other privileges that this brings with it, but not pay the costs (taxes) that this necessitates.[50] They were unable or unwilling to see that long-term economic growth requires long-term planning and some sacrifices on the part of all. Rather, this new rising middle class wanted short-term immediate economic solutions to the country's economic dilemmas which did not have short-term solutions. The economic dilemmas that Greece was facing by the middle of the 1980's -- a huge public debt and an equally large trade deficit, an ever growing imbalance between consumption and production, stagnation in investments -- were deep-seated structural economic defects that required innovative and forward-looking planning and steady and unswerving implementation on the part of government. To anyone who wished to observe the reality, these problems found within the economic sphere could not be answered overnight. Yet the new middle class blinded itself to reality

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[49]James Petras, et. al., *op. cit.*, p. 175.
[50]*Ibid.*, pp. 174-175.

and continued to demand goods that were out of the range of the state's capacity to produce unless extensive restructuring of state infrastructures occurred.

Put bluntly, no government during the past fifteen years has been willing to pay the possible political costs involved in developing a macroeconomic programme which would demand higher production and industrial development as well as a tightening of the belt in public spending and consumption. It is important to also emphasise that this phenomenon cuts across the political party spectrum in Greece. Therefore neither from government (from the political leadership of the country) nor from the *nouveaux riches* (who were reaping the rewards of the new consumerism) nor on a grassroots level has there been a sign that Greece is prepared to establish and put into practice a macroeconomic policy for modernising Greek society and its economy which will allow her to get in synchrony with her EU partners. Major structural and attitudinal changes are required in Greece before such necessary changes can be initiated by government, effectively implemented, and accepted by the Greek people. This is indeed a formidable feat but one which is attainable if there is a political leadership in Greece which accepts the challenge and has the creative ability to blend Greece's traditional features with the demands beckoning from the twenty-first century.

Any discussion of the relationship between the individual and society in Greece requires one to again recall the experiences from Greece's past which have laid the foundation for modern Greek political culture. The fact that the notion of society as a collectivity is weak in Greece today, for example, is partially explicable when one recalls the sense of distrust that Greeks had for their Ottoman rulers and more generally their suspicion of authority figures and the ensuing reliance this created on family members (and the extended family more generally) who were perceived to be the only individuals whom one could really trust. Under those circumstances, the concept of society, and the *social* did not develop as it did in northwest European states where notions such as the 'common good' and 'community' had developed. Put differently, the social space in Greece did not have a civic nature to it, and this created an environment where individuals were out for themselves, acting impetuously, not necessarily taking into consideration what affects their actions might have on other members of society. This phenomenon is discernible in contemporary Greece within the economic sphere. For example, by looking at the percentage of self-employed, the largest percentage among EU member states, (approximately 50% of the employed population) one witnesses Greeks preferring to be their own bosses, running their own businesses and in continuing to partake, to a

degree, in nepotism. The extent to which tax evasion continues to be practiced among all social strata is another glaring demonstration of Greek's lack of respect for state authorities which will be taken up in Chapter Seven. The lack of organised interest groups and voluntary associations as well reveals that Greeks are disinclined to cooperate in modern collective organisational forms.[51] This has hindered the modernisation of Greek society and created obstacles (and sometimes even misunderstandings) between Greece and her EU partners since Greece's social space remains influenced by these traditional forms of social behaviour. Thus this 'free rider individualism'[52] as it has been identified by Tsoucalas, has been used to partially explain why Greeks have been unable to integrate into the EU at the pace that was originally intended. Yet at the same time, Greeks have very strong ties within the nuclear and extended family, and these bonds have been passed down from one generation to the next. It is very common for unemployed members of the family to be living at home, being supported by other family members. Young men doing their mandatory military service are subsidised financially by other family members, as are those who are studying at university. This supportive role of the family (both financially and morally) is a characteristic feature of Greek society, as parents continuously strive to have their children enjoy a better standard of living than themselves.

Hence one observes quite strong ties which Greeks have with family members and relatives, yet this sense of concern remains mainly within the confines of one's own family and friends. Once one is removed from this sphere and enters the realm of relationships outside the domestic (for example, employer - employee relations, relations between public workers and the general public), there is a marked attitudinal and behavioural difference in terms of human relationships. Here one witnesses abrupt, impersonal, and often rude behaviour. This schizophrenia which Greeks apparently possess is difficult to explain to non-Greeks and often perplexing for Greeks themselves to comprehend. The result is a lack of a civic spirit in Greece and a form of distorted rationality which acts as a bulwark against change. It is not an exaggeration, then, to declare that Greek political culture is "... a culture marked by sharp and profound discontinuities over time."[53]

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[51]*See* Constantine Tsoucalas, (in Greek) " 'Τζαμπατζήδες' Στη Χώρα των Θαυμάτων. Περι Ελλήνων Στην Ελλάδα." *Ελληνική Επιθεώρηση Πολιτικής Επιστήμης*. (Αθήνα: Θεμέλιο) Ιανουάριος 1993, σ. 9-52. A shorter version of this for an English speaking audience is found in *Greece Prepares for the Twenty-first Century, op. cit.*

[52]*Ibid.*, pp. 24-25.

[53]P. Nikiforos Diamandouros, "Greek Political Culture in Transition: Historical Origins, Evolution, Current Trends," *op. cit.*, p. 44.

4.6 Conclusion

Based on what has been discussed thus far, one can deduce that the problem of developing a modern Greek civil society is structural on one level, and attitudinal on another. For an understanding of how the lack of civil society feeds into the question of legitimacy in Greece, both of these levels need to be taken into account. It can be argued that in fact the lack of modern features of civil society and the continuation of traditional practices in Greece create barriers for Greeks in accepting and adapting western values and norms. This can result in a rejection of social policy initiatives at an EU level (for example, improving the quality of employee training, or devising new approaches to management in the public sector, both of which in Greece have met up with some resistance on the part of those involved) which are perceived as acceptable and quite welcome by other EU member citizenry. The paradox appears when EU policy proposals, which are not perceived as acceptable to Greeks crop up, and this is when Greeks retrieve their traditional past to *legitimise* their distinct (differing) position. But at the same time, these traditional practices domestically hinder the internal modernisation process in Greece and create problems for the national government which constantly needs to legitimise its actions domestically.[54]

Structurally, therefore, the Greek centralised state continues to play the dominant role in the allocation of state resources. It has come to be perceived of as the legitimate organ for dispensing these economic resources, and this practice has continued to fuel patron-client relationships. The lack of what can be considered standard western institutions and organisations of modern civil society within Greece[55] has meant that the political party system continues to be perceived as the

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[54]Jürgen Habermas' discussion of the *Legitimation Crisis* (London: Heinemann Educational Books) 1973, may be partially applied to the case of the Greek state and its high level of intervention in the economic sphere which necessitates legitimacy of its actions but difficulties arise when one attempts to apply Habermas's theory literally to Greece. *See* welfare state discussion in Chapter One of this study. Since Greece can not be described accurately as a *modern developed* capitalist society as Habermas outlines, one must be careful in applying his analysis to the case of Greece. *See also,* Jürgen Habermas, *Communication and the Evolution of Society,* (Boston: Beacon Press) 1979, esp. ch. 5 "Legitimation Problems in the Modern State," where he notes that "problems of legitimacy are not a speciality of modern times." p. 181. Placed within this Habermasian discussion, the nature of the Greek state can be perhaps better examined.

[55]In examining the particular structural and cultural characteristics of Greek society and how these influence the issue of legitimacy, Charalambis and Demertzis have commented that "Legitimacy is secured through procedures that lie outside the typical institutional context because the rational institutional context is applied to a society whose communicative core is the interpersonal client relationship rather than the labour market in the modern sense of that term." Dimitris Charalambis and Nicolas Demertzis, "Politics and Citizenship in Greece: Cultural and Structural Facets," *op. cit.*, p. 227. This can be cited as a distinctive aspect of legitimacy in Greece which

legitimate communicator between citizens and government. Since other interest groups and associations have been slow to form (or because the political party system has not allowed them to form) the political party system maintains its disproportionate share of power and influence within Greek society. Unless political party activities can be counterbalanced by other organisations and structures -- not affiliated or under the tutelage of any political party -- practices such as those of *rouspheti* (favours granted by politicians to citizens in return for their vote at election time) will continue.

For those who have supported Greek membership in the EU, the partial solution to Greece's structural problems lay within the Community. Basically, the argument that is promoted is that as European integration progresses and deepens, so too will the necessity for Greece to align its infrastructures and patterns of social behaviour with those of its EU partners. As the privatisation process is furthered along in Greece, and the state lessens its tight grip over the economic sphere and becomes less of an employer, the development of other organisations and associations will come into existence. This is seen as a way for traditional practices such as those found within the Greek patrimonial state to be gradually replaced by modern conventions which will be self-legitimising as they will arise from the bottom up, as opposed to being mandated by the state (from the top down). Therefore, patrimonial practices and patron-client relations may slowly give way to more impersonal relations as privatisation results in the gradual reduction of state owned firms and utilities.

On an attitudinal level, (which is very subjective and thus difficult to outline and generalise about), Greeks possess certain socio-cultural characteristics and traits which distinguish them from other European Union citizenry and which can be interpreted as being in contradistinction to the prerequisites of modernisation. The case of Greek Orthodoxy has been cited here as an example of a religious dogma which has been rendered incompatible with some of the fundamental concepts on which western societies are based and which came to be established during the era of the Enlightenment such as those of personal freedoms and natural rights. This has been perceived as a hindrance to the development in Greece of basic principles and attitudes which are quintessential for the integrative process and for further coordination and synchronisation among EU member states.

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complements what has been mentioned in this chapter concerning Greek civil society and the issue of legitimacy.

Attitudinal reorientation is naturally that which is most difficult to inspire. For such changes to occur within Greece, Greeks need to become much more aware and informed about the EU and its processes and policies and the affects of these on their lives. Clearly the educational system as a force involved in socialisation needs to take an active role in the dissemination of information and in introducing and encouraging thought and contemplation geared towards opening up Greek society. The various means of mass communication have the power to act as a transmitter of images and information which could allow for more focused debates and exchanges of ideas. Greeks need to find a way to utilise constructively their traditional socio-cultural characteristics, rather than perceiving them as anathema to modern western values and norms. In this way, the contradictions which supposedly arise between Greece and her western allies will not lead to social legitimacy problems either with the EU or at home.

Chapter Five

DEMOCRACY IN GREECE

5.1 Introduction

The central aim of this chapter is to remark upon the functional operation of democracy in Greece in order to examine its degree of political and social legitimacy. To facilitate a survey of the democratic process, a brief look at how the Greek political system functions will be attempted by investigating the main branches of government. Since political parties in Greece are considered to be extremely influential political actors, perhaps even *the* most influential, special attention will be drawn to them, in particular to their role within the political system as well as within the Greek political environment at large. A brief discussion of political culture in Greece will follow to make explicit the socio-cultural dynamics that are operating within Greek society which complement the remarks made in the previous chapter. In view of the fact that it is impossible to produce a comprehensive examination of the Greek political system in just one chapter, the post-authoritarian period (post-1974 to the present) will be singled out as the era under consideration in this analysis. Finally, popular attitudes expressed towards how democracy operates in Greece will be explored in the final part of this chapter by relying on EUROBAROMETER surveys to more conclusively illustrate how the degree of popular legitimacy can be ascertained.

5.2 Formal Legitimacy

By sketching out an analysis of the functions and structures of the political system[56] in Greece, one can observe how the centralised nature of the Greek state and its operation is reflected in the structure of the political system (see Diagram 5.1 *The Greek Political System*). At the core of the system, the three structures which predominate over policy-making and implementation and which make up the central administration are the Prime Minister, the legislature and the bureaucracy. The Prime Minister in Greece is a functional head of government who wields a great deal of decision-making power. As a result of the 1986 constitutional revision to the 1975 Constitution which reduced the functional powers of the President of

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[56] *See* Gabriel Almond and G. Bingham Powell, Jr., *Comparative Politics Today*, (Glenview, Illinois: Scott, Foresman and Co.) 1988, esp. chapter one on which the diagram here of the *Greek Political System* is loosely based.

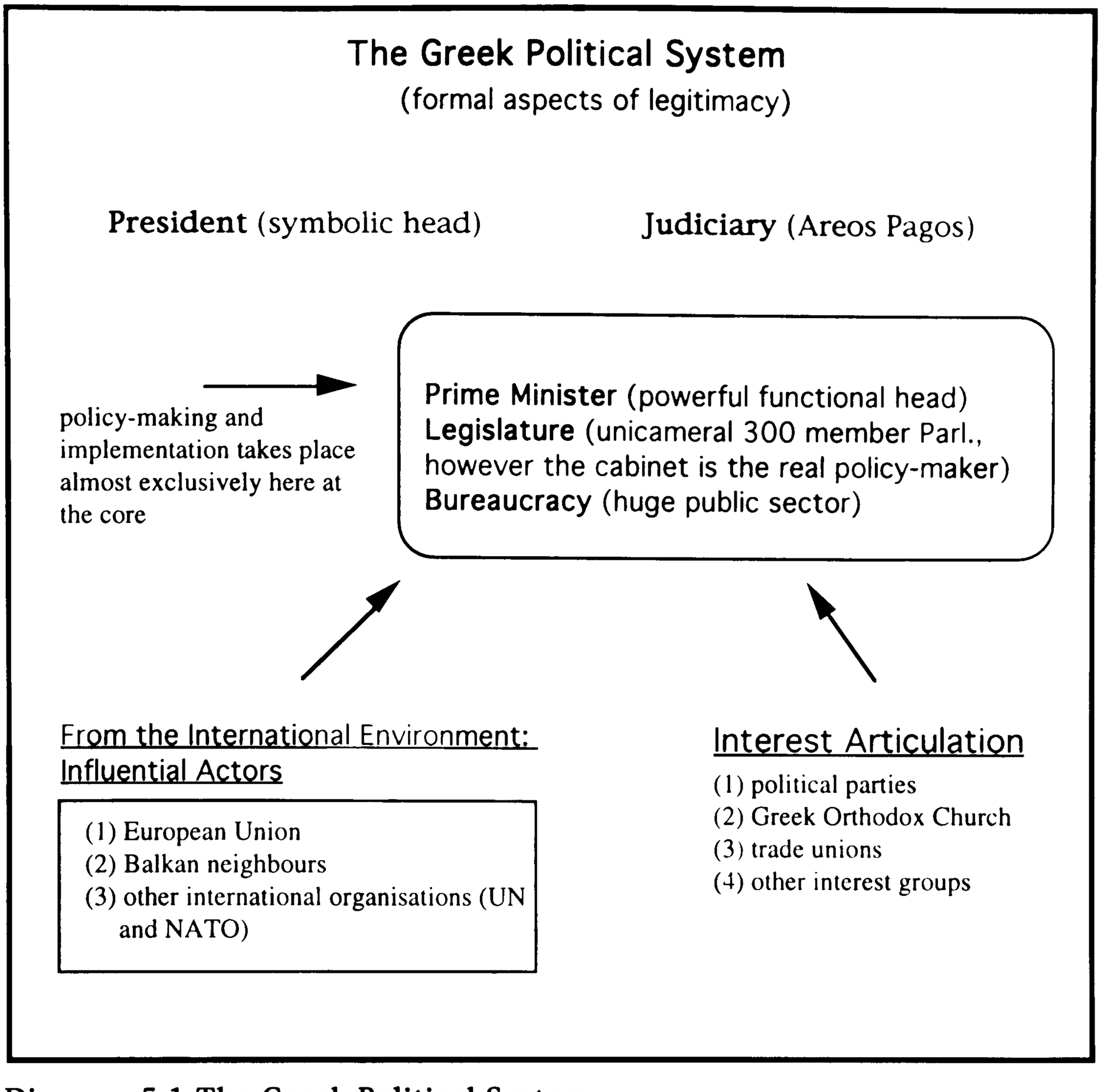

Diagram 5.1 The Greek Political System

the Republic, the position of Prime Minister has been further enhanced, although the role of the President of the Republic remains vital as a 'regulator of the system' -- 'ρυθμιστής του πολιτεύματος.'[57] The Prime Minister is to confer regularly with the President and keep the President informed of the state of the nation. The leaders of the opposition parties in Greece also meet with the President and discuss issues of national importance.

It is noteworthy to remark upon the newness of the June 1975 Hellenic Constitution, (the fourth one in this century) and its 1986 revision. Significant as well is that

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[57]Aristoboulos Manesis, (in Greek) *Η Συνταγματική Αναθεώρηση του 1986*, (Θεσσαλονίκη: Παρατηρητής) 1989, σ. 30. Professor Manesis believes that although the powers of the President of the Republic were reduced as a result of the 1986 constitutional review, this does not mean that the role of the President has been reduced in importance, since the 1975 constitution invested a great deal of trust and responsibilities in the office of the President of the Republic for a system which is defined as a *Presidential Parliamentary Republic*. Thus the 1986 revisions of the powers of the President must be understood in these terms.

Portugal adopted a new constitution in 1976, and Spain in 1977. The southern EU members thus share this similarity which stands in stark contrast to the other EU member-states, who have more senior and seasoned constitutions. Furthermore the constitutions of Greece, Portugal and Spain have been revised in the interim, amendments being perceived of as necessary for the smooth operation of government. This has no less helped to bolster the formal dimension of legitimacy in these southern member states in their respective post-authoritarian eras. In the case of Greece, a national referendum on 8 December 1974 on the question of the future role of the monarchy in Greece preceded the adoption of the new constitution which further lent formal legitimacy to the ensuing constitution. As 69.2% voted against the restoration of the monarchy, the June 1975 constitution was indeed perceived of as a major event marking the return of democracy in the country and a break with past political practices.

More generally speaking, the political system in Greece has been described as a centralised unitary system indicative of 'executive dominance.'[58] One can certainly come to this conclusion by observing the overwhelming degree of power that the Prime Minister and his cabinet has in policy and in decision-making. The core of the political system is where power is concentrated and where the party in government holds the reigns and initiates policy-making.

The unicameral 300-member parliament is composed of representatives from Greece's thirteen administrative regions which are divided into fifty-five prefectures -- νομοί (which are further broken down into δήμοι --municipalities) which have effectively no real independent power of decision-making. These local units act in an advisory capacity[59] as opposed to making independent decisions concerning their localities, and hence continue to operate under the auspices of the core administration. It has only been since the October 1994 local elections that members

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[58]*See* Arend Lijphart, Thomas C. Bruneau, P. Nikiforos Diamandouros and Richard Gunther, "A Mediterranean Model of Democracy? The Southern European Democracies in Comparative Perspective," *West European Politics*, Vol. 11, No.1, Jan. 1988, pp. 7-25 for a comparison of the political characteristics of Italy, Spain, Portugal and Greece. Although these authors state that there have been attempts to view these four Southern European countries as being similar enough to warrant comparative studies, these authors do not believe that a 'Mediterranean model' of democracy can be developed since these countries " ... are not sufficiently similar to each other nor sufficiently different from other democratic regimes to fit a distinctive model of democracy." *Ibid.*, p. 7.

[59]For a thorough analysis of prefectures in Greece and more generally the process of decentralisation in Greece *see* Susannah Verney and Fouli Papageorgiou, "Prefecture Councils in Greece: Decentralization in the European Community Context," In *The Regions and the European Community*, Robert Leonardi ed., (UK: Frank Cass) 1993, pp. 109-137. *See also* Susannah Verney, "Central State--Local Government Relations," In *Greece and EC Membership Evaluated*, Panos Kazakos & P.C. Ioakimidis, eds., (NY: St. Martin's Press) 1994, pp. 166-180.

of prefecture councils (νομαρχιακά συμβούλια), the so-called second tier of government, have been directly voted in by the public (supposedly keeping within the EU's principle of subsidiarity which aspires to bring government *closer to the people*). However, the prefecture councils as yet do not wield any real power since these local governmental councils still rely on the central government as their source of revenue (i.e., as yet do not have the power to collect local taxes, although this issue has now arisen and is being considered),[60] thus the promises of decentralising the political system and devolving powers to local administrative units in Greece made by both of the major parties --New Democracy and PASOK -- have not come to fruition. It should also be noted that local officials have become susceptible to the same party patronage system as their counterparts in the central government. The fact as well remains that these local units have not yet developed the necessary organisational structures which could make them effective, and these certainly cannot form over night. There are some signs, however, that the prefecture councils may be given a degree of decision-making concerning their localities,[61] but this will take time, a great deal of organisational restructuring on both the central and local levels, and will and determination for successful implementation.

As a forum for debate and discussion, the Greek Parliament (Βουλή) is dominated by exchanges between the party in government and the opposition, conducted mostly by party leaders. The voting in of new laws usually follows along the traditional party line route, MP's maintaining strong loyalty to their parties. The present parliament has representation from four political parties: PASOK (the majority with 170 seats), New Democracy, Political Spring and KKE. As will be discussed below, the electoral system favours heavily the two larger parties at the expense of the others. However, since party loyalty is enduring, and owing to the fact that the

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[60]It should be mentioned that at the time of this writing there have been discussions taking place by political leaders concerning what the role of the prefecture councils should be, and views have been expressed that they should be given economic and administrative power to influence decisions in their localities. *See* for instance, ΤΟ ΒΗΜΑ, "Αναδιάταζη στην Τοπική Εξουσία," 10 Μαρτίου 1996.

[61]Development Minister Vasso Papandreou in a Press Conference held on 14 February 1996, before her address to the Federation of Greek Industries (SEB) General Council, stated that the present PASOK government headed by Kostas Simitis will promote devolution and regional planning in industry. To this end, on 5 March 1996, the cabinet decided to propose a measure to abolish the political position of Administrative Regional Director for Greece's thirteen regions and instead will create a post of general director to be filled by civil servants. This measure is perceived of (by the current government of Kostas Simitis) as a way to enhance local governmental power at the prefectural level. This amendment is to be discussed in Parliament on 22 April 1996 as put forth by the Finance Ministry. *Athens News Agency Bulletin*, 6 March 1996. Nevertheless, there are vast differences of opinion as to the pros and cons of the proposed amendment. For additional discussions for and against the abolition of administrative regional directors *see* for example, the Greek newspaper *Η ΚΑΘΗΜΕΡΙΝΗ*, 6 Απριλίου 1996, σ. 4 and *Ο Οικονομικός Ταχυδρόμος*, 4 Απριλίου 1996.

Greek political system is characterised by a dominant executive (Prime Minister), the role of the Parliament has been relegated to a large degree to that of a 'chatting chamber.' Such important issues as the national budget witness only a general debate in Parliament about the state of the economy as opposed to detailed discussions about the specifics included. All the details are worked out by the various cabinet ministries concerned, mostly behind closed doors, and then simply presented to the Parliament for a vote.[62] Thus the Parliaments legal role in voting in of laws is fulfilled, but its more 'democratic' and 'representative' functions of representing the public interest and contemplating legislation have become diminished.

The third main actor within the core, the bureaucracy, which has been mentioned briefly in Chapter Four of this study, is an administrative state apparatus which has been traditionally used by the party in government as a means to perpetuate the patron-client system to maintain its position in power. It is expanded in size beyond its abilities to be efficient and unorganised to the extent that is cannot be of any real service to the public. The bureaucracy has thus not developed into an autonomous structure which can constructively participate within the system. However, as a structure within the political system under the reins of the party in government, it has played an important role in acting as a core institution supporting the government in power.[63]

The judiciary which is elsewhere a vital structure responsible for checks and balances within western democratic political systems, has not assumed that role in Greece to the extent that it has in many of her EU partners. The judiciary as a political structure in Greece has not enjoyed that degree of independence that judiciaries have traditionally enjoyed in other western democracies. In practice, party politics has seeped into this structure as well, and even the highest court in Greece, the Ἄρειος Πάγος -- Areos Pagos (composed of a President, six vice presidents -- who head each of the six major departments, and forty-eight public prosecutors) has not been able to remain depoliticised. Hence the judiciary has not been able to operate effectively as a review mechanism of government activities which could help to keep in check the central government.[64] Absent as well from

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[62]Note the contrast here of legislative bodies: the US Congress has been wrangling over the national budget for 1997 and a 'balanced budget' law for nearly half a year.

[63]*See* Minas Samatas, "Debureaucratization Failure in Post-Dictatorial Greece: A Sociopolitical Control Approach," *Journal of Modern Greek Studies*, Vol. 11, No. 2, Oct. 1993, pp. 187-213, for a discussion of why the Greek public sector has been unable to 'debureaucratize.'

[64]As Nicos C. Alivizatos has remarked when discussing the role of judges in Greece: "In Greece, since the end of the nineteenth century, the judges (all judges, of all jurisdiction, rank and degree) are

the Greek judiciary is an independent constitutional court (as found within the German political system, for example) to review legislation for its constitutionality. The mechanism which primarily reviews administrative actions for their constitutionality and investigates allegations of abuses of power by the administration is the Council of State -- Συμβούλειο της Επικρατείας[65] (based on its French counterpart the *Conseil d'Etat*), while it is left up to the Areos Pagos to utilise its powers to judge a law (de facto) formulated by the Prime Minister or by one of his cabinet ministers as unconstitutional.[66]

Inputs into the core of the Greek political system primarily are channeled through structures such as political parties, the Greek Orthodox Church, trade unions and other interest groups which act as a vehicle of interest articulation. These channels of interest articulation, however, have varying degrees of influence within the political system as they developed at different times and in different ways. Political parties have traditionally been the most prominent of all, and because of this their role within the system will be examined below in some detail. As was mentioned in the previous chapter of this study, the Greek Orthodox Church has played a very prominent and perennial role in Greek politics, often taking on a secular as well as a religious role. Trade unions and other professional and issue-oriented groups have attempted to influence the policy-making process within the Greek political system with varying degrees of success. However, there have been few independent organisations or interest groups to develop and survive for any real length of time in Greece. An ecological, environmental group -- Οικολόγοι Εναλλακτικοί gained popularity quickly in Greece in 1989 which allowed it to obtain one representative in parliament, but it just as rapidly thereafter disappeared from the political scene. Several women's organisations (The Federation of Greek Women and the Union of Greek Women) were established in Greece in the post-junta era which were able to further women's rights issues in the 1980's, but became engulfed and absorbed by the party-state once PASOK came to power in 1981.[67] Hence, many of the

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supposed to review the constitutionality of legislation. ... However, whenever important political issues are involved, this obligation is perceived in a very restrictive and scholastic fashion." Nicos C. Alivizatos, "The Presidency, Parliament and the Courts in the 1980s," In *Greece and EC Membership Evaluated, op. cit.*, pp. 65-77.

[65]The Council of State in Greece is made up of a President, five vice presidents, thirty-seven councilors, forty-five assistant judges and forty investigators. *See* 1975 Greek Constitution, Article 90 in Aristoboulos Manesis, (in Greek) *Το Σύνταγμα του 1975*, (Θεσσαλονίκη: Σάκκουλα) 1978, σ. 122-124.

[66]*See* The 1975 *Constitution of the Hellenic Republic*, Section V The Judicial Power, Chapter II Organisation and Jurisdiction of the Courts, Article 95 and Article 100.

[67]Laura Cram, "Women's Political Participation in Greece Since the Fall of the Colonels: From Democratic Struggle to Incorporation by the Party-State? *Democratization*, Vol. 1, No. 2, Summer 1994, pp. 229-250.

organisations that do form have not escaped affiliation with one of the major political parties which means that they have not been able to form into independent 'institutional' or 'associational' groups and hence can best be described as 'nonassociational' groups.[68]

Several important actors from the international environment affecting the Greek political system are the European Union, Greece's Balkan neighbours, and international organisations such as the United Nations and NATO. Foreign powers such as the USA have also been most influential in Greek politics in the post-junta era. These international actors have historically been very decisive in influencing the political environment in Greece. As was mentioned in the previous chapter of this study, Greece's membership in the European Union has been the topic of much contemporary discussion, and there are varying opinions -- both positive and negative -- as to the ways in which Greece has been affected by EU membership. So too are there multitudinous voices expressing opinions about whether or not the United Nations has had a felicitous affect in solving the Cyprus issue. Controversy surrounding Greece's participation and role within NATO and most recently Greece's full membership in the Western European Union are two other concerns which feed into questions of security and defence which remain sensitive issues for Greece. Turmoil in the former Yugoslavia, constant skirmishes with Turkey,[69] and tensions arising in its relationship with Albania has meant that Greece continues to be preoccupied with its neighbours and questions of national security.

Hence an investigation into the structures of the Greek political system and the nature of its operations allows one to remark on the formal aspects of legitimacy. First, the centralised quality of the Greek state has meant that the Prime Minister and his cabinet[70] have predominated over the core, and together with the parliament and

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[68]*See* Gabriel Almond and G. Bingham Powell, *Comparative Politics Today*, *op. cit.* pp. 66-70 for a description of the various types of interest groups. 'Anomic' and 'nonassociational' groups are those which are described by these authors as groups which are not well organised, arise spontaneously due to frustration or other strong emotions felt by citizens to something that has been proposed by government, and then basically disappear from the political scene. Political parties, the Greek Orthodox church and trade unions and professional associations can best be described as 'institutional' or 'associational' groups as they are formal, organised, powerful organisations whose voice and opinion can affect policy-making.

[69]To be discussed in Chapter Eight of this study.

[70]Nikolaus Wenturis, when discussing Hellenic political culture and the role of opposition parties in parliament has remarked that: "This great deficiency in checks and balances characteristic of the political system in Greece means that the decisive and classical separation of powers also hardly works since the parliamentary majority (that is, that of the party which has the responsibility of governing at any one time) is closely tied to the government, and it is the cabinet which carries out most of the legislative function by taking it away from the natural legislative organ, the parliament."

the bureaucracy can be said to monopolise the process of policy-making and implementation. Second, although the President of the Republic has an integral function as a symbolic head representing national unity, the effective powers at the disposal of the President are limited. Third, the judiciary led by the Areos Pagos does function as a limited check on the core. However, Greece's rigid constitution and the fact that the Areos Pagos does not operate totally independent of the party system (since party politics continues to plague its personnel and its operation) has meant that it cannnot act as effectively as a counterbalance to the powerful core. Fourth, inputs into the system from various groups such as political parties and trade unions play an important role in channeling public opinion, yet they number few, are generally entangled in party politics, and continue to form part of the patron-client networks. Independent pressure groups have grown laggardly and tend to be ephemeral. Therefore although the Greek system operates according to the rule of law as a parliamentary system, and in that sense fulfills the requirements of 'formal' legitimacy, there remain doubts about the question of democratic accountability, about decentralisation, and about citizen's opinions and interests being heard by government. What stands out about the Greek case is its lack of popular structures, its highly centralised nature, and the continuation of traditional clientelist practices from the past.

An additional feature of the political system as it relates to the question of legitimacy which needs to be considered is the problem with the electoral system in Greece and its frequent modification for political party gain. Here it is necessary to add that foreign powers have historically been very influential in determining the electoral system in Greece in the post-World War Two era. As Beate Kohler has noted:

> After the end of the Second World War, following strong pressure by the American government, Greece introduced an electoral system that was designed to produce parliamentary majorities. The object was over-representation of the strongest party in parliament in order to increase the stability of the system of government.[71]

In 1952 the electoral law was changed in Greece, basically so that the Communist Party in Greece (KKE) could not come to power. Commenting on this observation, Pridham and Verney have remarked that "[a]n element of continuity between the pre - and post- dictatorship periods has been that every electoral law passed between

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See, Nikolaus Wenturis, "Political Culture," In *Greece and EC Membership Evaluated, op. cit.*, p. 232.

[71]Beate Kohler, *Political Forces in Spain, Greece and Portugal*, (Butterworth & Co. Pubs) 1982, p. 103.

1952 and 1985 sought to rule out the possibility of coalition government to avoid the Communist Party as a government partner."[72]

What is worth commenting on regarding the electoral system is that Greece has a Proportional Representational (PR) system which has at times set very high threshold levels for the awarding of seats in the national Parliament which benefits the larger parties while discriminating against the smaller ones. For example, in both the 1981 and 1985 national elections in Greece, higher-seat tier allocation was awarded to the parties which had received at least 17% of the national vote. In the 1985 election, this resulted in PASOK being awarded 53.7% of the seats in Parliament having won only 45.8% of the national vote while the smaller parties were awarded 4.3% of the seats in Parliament with 13.4% of the national vote.[73] It must be remembered, however, that PASOK modified the electoral laws (to what became known as 'reinforced PR' -- ενισχυμένη αναλογική) before the 1985 elections when it realised that it would not retain its seat in power with the existing electoral system. This discriminatory threshold level was done away with before the June 1989 election. Hence one of the obvious problems is that the electoral system in Greece is not equitable in the sense that it is not unbiased in its distribution of seats in Parliament as it disproportionately favours the larger parties. Furthermore, any government that comes to power can modify the electoral system to its liking. The electoral modifications that were in force for the most recent national election (1993), for instance, required a party to receive at least 3% of the national vote to be awarded seats in Parliament. This was implemented to ensure that one party would be awarded a majority of seats to form a government. Thus the electoral system has reflected a larger problem within the Greek political environment, that of creating and maintaining stable government.

Stable government (lasting the full four-year term) in the post-junta era has indeed been difficult for Greece.[74] More recently, from 1989-1994 there were four elections with four administrations, including a conservative-communist coalition (New Democracy and Synaspismos[75] from July to October 1989), followed by an

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[72]Geoffrey Pridham and Susannah Verney, "The Coalitions of 1989-90 in Greece: Inter-Party Relations and Democratic Consolidation," *West European Politics*, Vol. 14, No. 4, Oct. 1991, p. 46.

[73]Michael Gallager, ed. et. al. *Representative Government in Western Europe*, (McGraw Hill, Inc.) 1992, p. 158.

[74]A look back to the nineteenth century reveals this quite clearly: from 1870-1875 there were four elections with nine administrations. Richard Clogg, *A Concise History of Greece*, (Cambridge: Cambridge University Press) 1992, p. 62.

[75]Synaspismos was a coalition of the left parties which joined KKE (the Communist Party of Greece) with the Greek Left in 1989. The Communist Party of Greece thereafter broke off on its own again after the 1990 election and in the 1993 election received 4.54% of the vote and nine seats in

ecumenical government (from November 1989 to February 1990 consisting of all three major parties -- PASOK, New Democracy and Synaspismos), followed by a win for New Democracy in March 1990 which did not serve out its full four-year term. This resulted in another election witnessing the return of PASOK to power in 1993 with Andreas Papandreou again as Prime Minister. The formation of two governments made up of more than one party during 1989-90 is a rarity in Greece, however, since Greece comes fairly close to being described as a two-party system if one looks at the number of times modern governments have been formed composed of a single party only.

5.3 The Role of the Political Party Within the Greek Political System

Of the political structures found within the modern Greek political system, that one which has accrued an overwhelming degree of political power and hence of importance is the political party. A separate study would be necessary to adequately discuss and analyse the role played by political parties within the contemporary Greek political system.[76] Hence the discussion here of the political party system in Greece will be limited to a focus on how it fits into this study's investigation of legitimacy.

Political parties, and in more general terms the political party system, has been the main vehicle generating political legitimacy in the Greek political system in the post-junta era. Parties (as political structures within the political system) have been primarily responsible for the rather smooth transition to democracy after 1974, and for creating an atmosphere securing democratic consolidation within Greece after the fall of the Colonels. Yet Greek political parties continue clientelist practices and therefore cannot be accurately defined as *modernising* forces (i.e. innovational) in the sense that many traditional practices from the past have proved to be enduring characteristics. Political parties have thus maintained certain practices from the past (and until most recently much of the same leadership as well) but have likewise

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Parliament. Synaspismos received 2.94% of the vote and no seats in Parliament since it did not attain the 3% minimum required for seat allocation.

[76]There are various contemporary studies of particular political parties in Greece and studies concerned with a specific time period of Greek political history and the role of political parties therein. Some of these include: Richard Clogg, *Parties and Elections in Greece*, (London: C. Hurst & Co.) 1987; Kevin Featherstone and Dimitrios K. Katsoudas, eds., *Political Change in Greece Before and After the Colonels*, (NY: St. Martin's Press), 1987, esp. Part Two "The Party System"; George Th. Mavrogordatos, *Stillborn Republic. Social Coalitions and Party Strategies in Greece, 1922-1936*, (Berkeley, CA: University of Cal. Press) 1983; Mihalis Spourdalakis, *The Rise of the Greek Socialist Party*, (London: Routledge) 1988; and Konstantinos Ifantis, "From Factionalism to Autocracy: PASOK's De-Radicalization During the Regime Transition of the 1970s," *Democratization*, Vol. 2, No. 1, Spring 1995, pp. 77-89.

introduced and adopted contemporary features so that an amalgamation of the old and the new has occurred. This can be said to be the *dynamic* role that political parties have played in the post-authoritarian era in Greece.

If one was to scratch beneath the surface of political parties in Greece, and observe their internal operation and particularly how the decision-making process takes place within parties, the conclusion may be that parties cannot be said to internally operate 'democratically.' Initially it may seem bewildering and most certainly contradictory that political parties in Greece have proved decisive in maintaining a democratic system in the post-authoritarian era in Greece while at the same time not reflecting these principles in their internal operation. Yet this lends proof for the need to consider the socio-cultural and historical characteristics which constitute an understanding of legitimacy in Greece. Crucial for comprehending how Greek political parties function is understanding that political party leaders have an overwhelming amount of power (and usually the final say) to make important decisions concerning the party. Thus political parties in Greece have often been described as 'personalistic parties'[77] or as 'leader dominated parties.'[78] The May 1995 election of a new President of the Republic is a good example of party leader domination as the political party leaders made the choice of a candidate for President (without being formally required to consult or inform other party members first), and the MP's of that party were expected to support that candidate blindly. As much as charisma was considered in the past to be important, so too is it today considered a natural (and perhaps even necessary) trait of party leaders.[79] The leader of the party almost always becomes automatically 'President' of the party and is invested with an enormous (and largely unchecked) degree of power to make decisions concerning the party and its membership. During PASOK's tenure in office in the 1980's, (a party which has espoused a so-called *socialist* ideology) decisions were being made by Andreas Papandreou and the central committee without a great deal of consultation with other local party units. It has only been recently (since PASOK's re-entry into power in 1993 under pressure from dissenting PASOK party members)

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[77]*See* Dimitri A. Sotiropoulos, "A Colossus with Feet of Clay: The State in Post-Authoritarian Greece," In *Greece, the New Europe, and the Changing International Order,* Harry J. Psomiades and Stavros B. Thomadakis eds., (NY: Pella Pubs.) 1993, pp. 43-56 for an investigation into the role of political parties and the state in Greece.

[78]Yannis Papadopoulos in, "Parties, the State and Society in Greece: Continuity within Change," *West European Politics,* Vol. 12, no. 2, 1989, pp. 55-71, has produced an examination of the 'state-party-society relationship' in Greece in an attempt to explain how parties have or have not contributed to stability of the political system. He also mentions the role of charismatic leadership and its relationship to regime stability.

[79]Andreas Papandreou has been frequently described as charismatic by both his supporters and adversaries alike.

that a party Congress and convention were called to effectively discuss the PASOK platform, and indeed differing views are surfacing as to the way decisions are being taken and in general how the party has been operating as well as the future direction that the party should take. New Democracy as well has recently (in 1993) called a general party congress to discuss the party's platform and its future direction under new leadership, as has Synaspismos (in March 1996).

Additionally what needs to be considered for a discussion of legitimacy and the political party is the relationship of the political party as a political structure to that of the state. What one witnesses in Greece is that party concerns get transferred to the state level and become state concerns when that party is in power.[80] This phenomenon occurs mainly due to the interdependency of political parties and state mechanisms, this again being a remnant of Greece's Ottoman past. Political parties have used state mechanisms to maintain their position in power through patron-client practices and as a result, state structures have become highly politicised. The case of the Greek bureaucracy being penetrated by party politics, examined briefly in the previous chapter of this study, is a prime example.

The political party, therefore, has power insofar as it is the vehicle by which social forces are streamlined through to the state. Of all the voices of interest articulation, the political party clearly has maintained the most prominent position. However, if other structures (interest groups, organisational groups, etc.) and mechanisms were able to successfully compete with political parties (or at least to add additional voices and opinions) there is the possibility that political parties would not continue to enjoy the same privileged and commanding position as they do today within the Greek political system. Their ubiquitous nature as political actors estranged from civil society while monopolising the avenues for political articulation may be changing as the character of political parties change.[81] Nevertheless this presupposes major structural changes within the political parties themselves, between political parties and the state, as well as changes in political attitudes and current patterns of political behaviour.

One of the possible solutions to the problem of political legitimacy as it concerns the political party system which has been proposed is that of promoting coalition

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[80]For a structural functional analysis of the Greek political system and the role of political parties therein, *see* Nikos Georgarakis, (in Greek) "Κόμματα και Κομματική Δημοκρατία Προϋποθέσεις Ενσωμάτωσης και Νομιμοποίησης στη Μεταδικτατορική Ελλάδα," In *Η Ελληνική Πολιτική Κουλτούρα Σήμερα*, Νίκος Δεμερτζής (επιμ.) (Αθήνα : Οδυσσέας) 1994, σ. 253-286.

[81]*See* Peter Mair, "Political Parties, Popular Legitimacy and Public Privilege," *West European Politics*, Vol. 18, No. 3, July 1995, pp. 40-57.

governments, where no one party can gain the majority of seats in parliament.[82] This argument posits that this will require parties to cooperate with one another and thus put pressure to bear on parties to open up political discourse which could possibly lead to wider changes within the political system affecting more generally the political environment in Greece. However, this assumes that political parties will agree upon a standard electoral system which cannot easily be modified, and also supposes that coalitions will not lead to a de-stabilisation of the political system if an effective coalition cannot be formed. Hence there remains the danger that forced coalitions can lead to more political instability and a de-legitimation of the system. The two coalition governments that Greece formed in 1989 cannot be used as a basis for generalisation about coalition governments in Greece, since they were formed for a very particular reason and there duration and purpose were clearly delineated at the start. In other words, they did not form as natural coalitions, but came together knowing well that they could not jointly agree on policy-making for a full four-year term. Nevertheless, there remains the possibility that the adoption of a standard electoral system which can escape the whimsical modifications of the particular party in power can lead to coalitions in Greece in the future and possibly promote wider structural changes.

With both Konstantinos Mitsotakis stepping down as leader of the New Democracy party and Andreas Papandreou forced to relinquish his position as Prime Minister due to illness, there are signs that the old vanguard of these parties is slowly being replaced by younger individuals who are not directly tied to Greece's post-war past. Certainly the two main political parties appear to be undergoing leadership changes which might bring about other transformations as well. Voters have revealed their dissatisfaction with both of the main political parties and this message is beginning to be received by the parties.[83] However, it seems premature to speculate at present as to the types and the extent of changes which will occur within Greece's two main political parties and whether or not they will be able to develop into truly unfurled and innovative political actors. What is noteworthy, however, is that these dramatic

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[82] *See* Alexandros-Andreas Kirtsis, (in Greek) "Πολιτική Νομιμοποίηση και Οικονομικός Εκσυγχρονισμός," In *Η Ελλάδα Προς το 2000*, Κατσούλης, Ηλ., Γιαννίτσης, Τ., Καζάκος, Π. (επιμ.) (Αθήνα : Παπαζήση) 1988, σ. 17-34.

The case of Italy has shown that coalition government is a difficult and often frustrating exercise and it does not always work well.

[83] *See* the Greek newspaper ΤΟ ΕΘΝΟΣ, 17 and 18 April 1995 for a two-part opinion poll which was conducted by ALKO in the Attica region from 5 to 11 April 1995 which revealed voter dissatisfaction with the present political parties. For example, a majority of those polled expressed the belief that none of the present political parties can solve the major social, economic and national dilemmas that the country is currently facing. *See particularly* "Κόμμα που Μπορεί να Δώσει Λύσεις ανα Τομέα Βάση: Σύνολο," 18 Απριλίου 1995, σ. 15.

changes within the two main parties are occurring without any evident disturbances to the Greek political system as a whole. That is, the political system has been able to accommodate change and this adds further evidence to the argument that Greece has become 'democratically consolidated.'[84]

There remains likewise the possibility that new political parties may emerge in Greece which are neither oriented towards the right or left but rather are more technocratic and issue-oriented in character. As the new generation reconciles itself to the realities of the twenty-first century and as the rifts from the past slowly fade along with past animosities, new political arrangements may emerge which could usher in a new era in Greek politics. In the 1990's, for example, there appears to be little difference between the two main parties' stance concerning major policy areas, while as at the beginning of the 1980's the disparities between the parties was great. Necessary economic measures required for EMU convergence and privatisation schemes are two major policy areas where both PASOK's and New Democracy's position fundamentally differ little if at all, although opposition to policy continues to be launched by the various parties against that one which is in power.

5.4 Political Culture

Systematic investigations into the characteristics of political culture[85] in modern Greece began to absorb social scientists in the latter half of the 1970's, a time period in Greek history which witnessed a return of democracy to Greece and more generally signaled the inception of democratic consolidation and stability for a country which had experienced a historically tumultuous half century. By the 1980's, analyses of Greek political culture had come to the foreground of discussion, particularly after Greece joined the Community in 1981 as a full member. Today there are various individuals within the social sciences who continue to analyse and examine the characteristics of political culture in Greece, and variegated works can be found throughout these fields.[86]

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[84]*See* Richard Gunther, P. Nikiforos Diamandouros and Hans-Jürgen Puhle, eds., *The Politics of Democratic Consolidation: Southern Europe in Comparative Perspective*, (Baltimore and London: The John Hopkins University Press) 1994.

[85]*See* Nicos P. Mouzelis, "Greece in the Twenty-first Century: Institutions and Political Culture," In *Greece Prepares for the Twenty-first Century*, Dimitri Constas and Theofanis G. Stavrou eds., (Baltimore and London: The John Hopkins University Press) 1995, pp. 17-34.

[86]For a comprehensive overview of the various theories and works which have been produced recently dealing with Greek political culture, *see* Nikos Demertzis (in Greek) "Εισαγωγή στην Ελληνική Πολιτική Κουλτούρα. Θεωρητικά και Ερευνητικά Ζητήματα," In *Η Ελληνική Πολιτική Κουλτούρα Σημερά*. (επιμ.) Νίκος Δεμερτζής, (Αθήνα: Οδυσσέας) 1994, σ. 7-39, and "Η Επιλεκτική Παράδοση της Ελληνικής Πολιτικής Κουλτούρα," σ. 41-74, which includes an excellent bibliography of readings at the end.

One of the ways in which political discourse has been characterised in Greece has been that of 'a-political, hyper-politicisation.'[87] The latter part of this description refers to a general political climate of euphoria in Greece and symptoms of mass participation of the populace within the political environment in Greece. Greeks often have been characterised as 'fanatical'[88] when it comes to their political attitudes and personal beliefs. During election time, Greece is coloured with a sea of campaign posters and banners which stretch across the country. Discussions on television, in the press, in tavernas and kafenia (coffee houses, frequented, in villages, mostly by males), in buses and taxis cover the main campaign issues, and everyone seems to have an opinion as to which are *the promises* being espoused by the candidates and which are the policies that these candidates will *really* implement when elected into office.[89] EUROBAROMETER surveys confirm that Greeks have a high level of interest in politics (nationally and at the EU level),[90] and one could hence assume that this would be reflected in the number of institutional and structural vehicles to facilitate this interest and enthusiasm. Yet in practice, the

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[87]*See* Mihalis Spourdalakis, (in Greek) "Ελλάδα 2000: Δρέποντας τους Καρπούς της 'Α-Πολιτικής Υπερ-Πολιτικοποίησης,'" In *Η Ελλάδα Προς το 2000*, Κατσούλης, Ηλ., Γιαννίτσης, Τ., Καζάκος, Π. (επιμ.) (Αθήνα: Παπαζήση) 1988, σ. 108-118.

[88]The Greek translation of the term fanatical -- φανατικός is used to describe those persons whose actions and beliefs are not the consequence of any rational or logical understanding of people and events but rather who have strong emotional ties to a political party or particular leader, either because of devastating experiences from the past (i.e., human atrocities which occurred during the Greek Civil War -- 1946-1949 -- between factions of the Left versus those of the Right) or due to other socio-cultural factors which have created animosities within the political environment that breed irrational, illogical behaviour. The leaders of the major political parties in Greece up until 1993, Konstantinos Mitsotakis and Andreas Papandreou, had careers stemming back to the pre-junta era. Andreas Papandreou has remained party president of PASOK since 1974, and despite an ignominious reputation associated with a series of scandals that occurred when his party was in office from 1981-1989, he was again placed in office in 1993. Both Andreas Papandreou and Konstantinos Mitsotakis came from families which actively participated in the political life of the country and which have symbolised the bi-polar political party forces in Greece. Thus the political party leadership in Greece has been partially responsible for the continuation of bitterness felt between the Left and Right in Greece (personal attacks are often publicly lodged by one political leader against the other, for example) since they have not engaged in a type of political discourse which could help eradicate fanaticism and replace it with conscious choice based on rational calculations.

[89]Greeks passionately defend their views about politics and often a casual conversation turns into a controversial debate, each defender vehemently contending that the candidate that s/he is supporting is the best choice.

[90]*See* graph elaborated by Charalambis and Demertzis of EUROBAROMETER surveys from 1983, 1988, 1989, 1990 concerning political interest in Europe, *Journal of Modern Greek Studies*, Vol. 11, No. 2, Oct. 1993, p. 232. According to these surveys more than half of the Greek population have expressed an interest in politics generally (54%) and even more so in matters related to the Community (67%). Charalambis and Demertzis note that self-employed professionals exhibit the most interest in national politics (70.2%). *See also* Nikos Demertzis (in Greek) for a discussion of political culture in Greece during the decade of the 1980's, "Η Ελληνική Πολιτική Κουλτούρα στη Δεκαετία του '80," In *Εκλογές και Κόμματα στη Δεκαετία του '80*, (επιμ.) Χρήστος Λυριντζής, Ηλίας Νικολακόπουλος, (Αθήνα: Θεμέλιο) 1990, σ. 70-96.

This high level of interest in politics could be operationalised to get citizens more informed of EU policies and processes as mentioned in the previous chapter, but as yet Greek politicians do not seem able to capitalise on such a fact.

political party remains the main structure that acts as a communicator between the public and government, such that the phenomenon of 'a-political' is as well descriptive of the arena of political discourse in Greece.[91] The Greek political system has been quite slow to develop other channels of communication which could serve as a link between the public and the state. There are numerous historical and socio-cultural explanations that can be recalled to elucidate this phenomenon, as were mentioned in the previous chapter. Under authoritarian Ottoman rule, for example, any autonomous or independent associations which formed were conceived of as a threat to the state and were immediately crushed. Whatever other collective bodies or organisations formed were immediately put under the control of the state. Therefore interest groups and voluntary associations can be said to " ... lack the aura of popular legitimation."[92] The formation of independent or voluntary organisations, divorced from state control, are a relatively new development within the Greek environment and one which have not yet fully matured.

For the casual observer, it may appear odd that trade unionists or irate agriculturists, or most recently milk farmers, turn first to the streets in the form of protesting and striking as a means of revealing their disenchantment with proposed governmental policies rather than trying to negotiate their position with government officials, which usually precedes more drastic measures like demonstrating. Seen as a *last resort* in many northern EU member states where organised interests either lobby or partake in other forms of structured communication with government officials, striking and protesting has been adopted as a standard and acceptable means by which to dramatically express disapproval of government policy proposals or decisions in Greece in the absence of other formal means.

As was discussed in the previous chapter of this study, Chapter Four, Greece has a powerful centralised state apparatus and a weak civil environment characterised by structural deficiencies. This has created a void between the public and the state which is one of the dimensions involved in the legitimacy question. Other structural weaknesses related to legitimacy in Greece can be found within the political environment which have already been explored in this chapter. A conscious effort has been made to balance these formal aspects of legitimacy (re: concerning the political system and its operation and the question of democratic accountability)

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[91]Mihalis Spourdalakis, (in Greek) "Ελλάδα 2000: Δρέποντας τους Καρπούς της 'Α-Πολιτικής Υπερ-Πολιτικοποίησης.'" *op. cit.*

[92]George Th. Mavrogordatos, "Civil Society Under Populism," In *Greece 1981-89: The Populist Decade*, Richard Clogg, ed., (NY/London: St. Martin's Press) 1993, p. 49.

against socio-cultural factors which have been touched upon in Chapter Four and which will be recalled throughout Part II of this study. Placed within a political context, a look at the socio-cultural characteristics of Greek society help to make more complete an examination of the question of legitimacy.

The role that the mass media has come to play in Greek society and their degree of influence on opinion formation has grown immensely throughout the past decade.[93] The media in Greece have contributed to the political culture of the country and have reinforced party dominance of the political environment by often acting officially or unofficially as the mouthpiece of political parties. Until the 1980's, the printed media were the dominant voice of mass communication in Greece. It has only been since 1989 that private television channels have come into operation. What distinguishes the media in Greece from the media found in her northern EU partners is its lack of impartiality in presenting news and information. The three state-owned and operated television channels (ET1, ET2, and ET3) have acted as a channel of communication for the party in government and much of their personnel changes as the party in government changes. The major private television channels and many of the innumerable small local television channels which have literally mushroomed since 1989, for the most part express a particular political party perspective and more times than not have fallen into the same trap of partisanship. In fact, the small group of individuals who monopolise the printed media are the same ones who have expanded into television broadcasting. Since the costs of operation and initial investment in television are huge, only whose with substantial capital can venture such an endeavor. What is noteworthy, then, as concerns the media and political culture in Greece is that unlike other western countries Greece has " ... no examples or a tradition of financially or politically independent media."[94] More importantly for a discussion of legitimacy, the media's infiltration of party politics has impeded democratic discourse and thus has hindered the development of a civic culture along western lines.

Of the institutions and structures which can be found within the political environment in Greece that have likewise played a dynamic and decisive role in politics are trade unions, including those of civil employees, industrialists, students,

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[93]The role of the mass media in Greek society is a subject unto itself which will not be elaborated on in this study. The author, however, hopes to include in future research of the question of legitimacy the 'mass media dimension.'

[94]Manolis E. Paraschos, "The Greek Media face the Twenty-first Century: Will the Adam Smith Complex Replace the Oedipus Complex?" In *Greece Prepares for the Twenty-first Century*, *op. cit.*, p. 254.

and farmers. It is important at the start to emphasise, however, that the major trade unions which have formed into federations (the largest being ΓΣΕΕ --GSEE, the *General Confederation of Greek Workers and Employees*)[95] have been historically under the tutelage of the main political parties in Greece and are dependent on state subsidies which means that the state directly intervenes in trade union affairs. The *GSEE*, which represents approximately 90% of current trade unions in Greece, has been the arena for numerous party rivalries played out within this so-called autonomous actor. First, from 1936 to 1974 the communist party was not legally allowed representation in the *GSEE*. This in and of itself created resentment from this political camp which was purposefully excluded from the organisation. Second, the Executive Committee of *GSEE* has in particular been the scene of party disputes, most pronouncedly in 1985 when Andreas Papandreou instituted austerity measures creating a rift within the *GSEE* resulting in two Executive Committees in operation simultaneously, one pro-PASOK and one anti-PASOK. Effectively this has meant that unions and federations such as the *GSEE* have not been able to play an independent role in Greek politics, but instead have traditionally been under the umbrella of one of the main political parties which have greatly influenced their actions and policies.[96] This has resulted in an absence of independent interest groups which could act as a counterbalancing weight to the party and to the state. The inclusion of self-ruling pressure groups and interest groups that are found within most pluralist democracies in western Europe, that middle layer composed of organisations found between citizens and the state which acts as a cushion for both, is conspicuously missing from Greek society. To put it another way, utilising the terminology employed by Almond and Powell's analysis,[97] the avenues for input into the political system in the form of interest articulation are few and far between. This hollow has become more visible to both Greeks and Greece's EU partners in the last decade, and although there are some signs that things may be slowly changing in Greece, there has been little room allowed for the formation of independent organisations and interest groups by both the state apparatus and political parties who look upon the formation of these organisations as a severe threat to their

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[95]*See* Rossetos Fakiolas, "Interest Groups: An Overview," In *Political Change in Greece Before and After the Colonels,* Kevin Featherstone and Dimitrios K. Katsoudas eds., (NY: St. Martin's Press) 1987, for a general survey of interest groups in Greece. *See also* Thomas W. Gallant, "Collective Action and Atomistic Actors: Labor Unions, Strikes, and Crime in Greece in the Postwar Era," In *Greece Prepares for the Twenty-first Century, op. cit.*, pp. 149-190.

[96]Beate Kohler has summed up the major dilemmas of Greek trade unionism succinctly by noting that: "[t]he greatest weakness of the Greek trade union movement lies in the fragmented nature of its organization and in its party political structure." *op. cit.*, p. 139.

[97]*See* Gabriel Almond and G. Bingham Powell, Jr. *Comparative Politics Today*, *op. cit.*, for a comprehensive analysis of political systems.

existing power. It needs to be stated, however, that the rules of the game as applied on a Greek political level are not the same rules which are being played out on a EU level, and this realisation has now become obvious to those involved in both arenas.

Hence Greek society has not been able to develop the requisite structures which could lay the foundation for a political environment in which constructive dialogue and an exchange of views can take place. A lack of both political accommodation and collective bargaining thus appear to be aspects involved in formal legitimacy. Party animosities have perpetuated *mud-slinging* which still occurs among political party leaders which feeds old rivalries stemming back to the civil war era in post-World War Two Greece (1946-1949) and from the military junta (1967-1974). The exclusion of the Left from legitimately participating in politics after the Greek Civil war, and the humiliation of the Right during the immediate aftermath of the military junta, created a series of tensions within the Greek political environment as well as a severe polarisation of party politics, which was mentioned in Chapter Two of this study. It has only been since the mid-1970's that both ends of the political spectrum have been legally incorporated into the political system. The communist parties were legalised in September 1974 when Konstantinos Karamanlis came to power as leader of the newly formed conservative party New Democracy after the fall of the junta. However, political discussions among politicians quite often are still opportunities for personal attacks, as can be witnessed daily on Greek television programmes where such discussions frequently turn into shouting matches where the moderator of the programme assumes the role of a referee. The absence of a constructive discourse among political actors and between the government and citizens has led to a general feeling of disgust among the Greek public who do not perceive democracy working satisfactorily in their country. These two features of the political environment in Greece likewise feed into the issue of legitimacy.

However, it must be mentioned likewise that although party animosities continue, there remains a general recognition among all political actors that the parliamentary system is the legitimate forum for such discussions. There are no attacks being lodged by the political parties against the type of political system; opposition to the government in power may at times be biting, but it remains within the confines of the system. This too holds true for public discontent, which although at times is very vocal, should not be misinterpreted to mean that the public wants a different system -- they simply want their system to work more efficiently, more effectively, and ultimately more democratically.

5.5 How Greeks View Their Political System

A final area of investigation which will be explored here to elucidate the question of legitimacy involves attitudes and beliefs held among the Greek populace towards the operation of democracy in their country.[98] Whether or not citizens are satisfied with how their political environment operates and other conceptions held by Greeks concerning the political life of the country can give insight into the social aspects of legitimacy. Again, one must be clear by what is meant by 'how democracy operates.' This is not to be misinterpreted to mean that the Greek public prefers a different system than the parliamentary system which is currently in place. What is under question and investigation here, is the extent to which the Greek public feels that the democratic process is functioning as it should within the parameters of the parliamentary system.

EUROBAROMETER surveys confirm that Greeks (along with their Mediterranean EU partners) are cynical about how their political decision-making process occurs, and thus with how democracy functions in Greece. As was mentioned above, the Greek political system operates under the rule of law as ascribed to a parliamentary democracy and in that sense can be described as, and is perceived of as politically legitimate by both political actors and citizens. However, a glance at public opinion polls reveals a different perspective on the functioning of democracy from the point of view of Greek citizens.[99]

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[98]*See* Chapter One 1.2.2 Democracy in this study for a more general discussion of democracy and its relationship to the question of legitimacy.

[99]The following diagram is based on EUROBAROMETER surveys taken from EUROBAROMETER Trends 1974-1993, May 1994, p. 24; EUROBAROMETER #41 July 1994, #42 December 1994, and #43 Autumn 1995. The percentage of *not very satisfied* and *not at all satisfied* with the way democracy works in Greece were added together. The remaining percentage consists of those who were either *very satisfied* or *fairly satisfied* (or who had no reply) with the way democracy works in Greece.

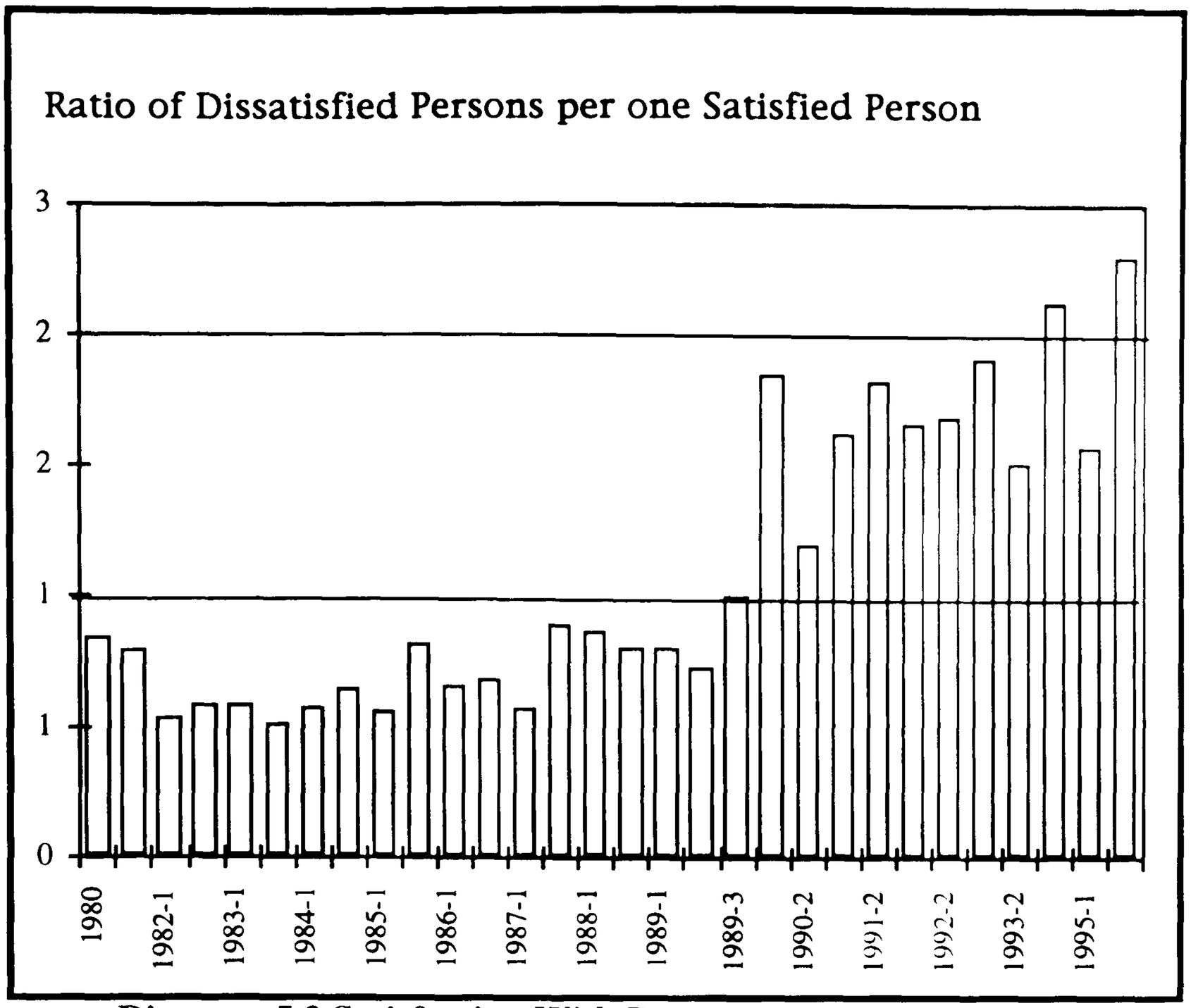

Diagram 5.2 Satisfaction With Democracy

One noteworthy observation based upon this data (and presented in Diagram 5.2)[100] is that the last six years (1989-1995) have seen a rise in the percentage of the Greek population which is *not very satisfied* and *not at all satisfied* with the way democracy is operating in Greece. Before 1989, for every dissatisfied citizen there was a citizen who was satisfied. However, the situation changes dramatically in 1989, where for every satisfied citizen there are two who remain dissatisfied. Therefore, from 1990 to the present, for every satisfied citizen there are two (and some) who are dissatisfied with the operation of democracy in the country, and this is indeed a dramatic jump. Although it would be spurious to draw too many conclusions from this data, one can venture to state that there appears to be a noticeable increase in the percentage of Greeks who are not content with the functioning of the democratic process at home.

As to the possible explanations for this disapproval held among Greeks towards the operation of democracy, one can draw attention to a series of political scandals which occurred within the domestic political environment over that time period.

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[100]Note that this diagram is my own representation of those who are *not satisfied* and *not at all satisfied* with the way democracy operates in Greece using the EUROBAROMETER surveys mentioned in the previous note.

First, there was the Koskotas bank scandal and the corruption allegations lodged against Andreas Papandreou and PASOK MP's in 1989-1990. Second, the OTE (National telephone company) scandal occurred (reminiscent of the American Watergate) involving New Democracy leader Konstantinos Mitsotakis and allegations of illegal wiring taping, as well as the cloud covering the privatisation sale of AGET-Heracles (the cement company) in 1993. To add to these there has been a general climate of recrimination between the two party leaders since 1989 which has served to cultivate a climate of disgust and mistrust among the Greek people towards the political leadership of the country. Certainly these have affected the way in which Greek citizens view the political leadership of the country and in turn this partially influences their opinion about the extent to which the system functionally reflects democratic principles.

Furthermore, as was demonstrated in the first part of this study, the European Union has developed competencies in decisive areas of policy-making. Greece's membership in the EU needs to be pulled into the discussion here in investigating satisfaction with democracy since more competencies have been transferred to the EU.[101] Thus the EU as an international actor has affected perceptions of democracy both at home and at an EU level, and as has been mentioned previously, citizens are hesitant to have policy decisions taken jointly with the EU in such areas as social welfare, education, cultural policy, etc.[102] As the decision-making process continues to take place at a distance, whether at an EU level or at another higher level, citizens may continue to voice dissatisfaction with the democratic process which appears to be moving further and further away from their control. As the process of decentralisation in Greece has not yet been successful in bring citizens into the decision-making process by giving them an avenue to voice their opinions, and since the centralised administration continues to monopolise policy-making decisions, Greeks may continue to feel dissatisfied with how democracy operates in their country as they feel far removed (both literally and metaphorically) from where decisions are being taken. This no less is a question of democratic accountability: the locus of decision-making is moving from a national level to an EU level without the accompanying degree of accountability at that level. Thus the lack of effective structures of (and avenues for) interest articulation within the Greek political system

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[101] For an interesting study of the views of regional elites as to the affects that the Single Market Initiative would have on their regions which sheds some light as to the opinions of Greek sub-national elites, *see* Robert Leonardi and Shari Garmise, "Conclusions: Sub-National Elites and the European Community," *Regional Politics and Policy*, Vol. 2, Spring-Summer 1992, pp. 247-274.

[102] *See* in this study the sections on the welfare state found in Chapter One 1.2.3 The Welfare State and Chapter Two 2.3.3.

(and as has been demonstrated at the EU level as well) which has become more visible in the last half-decade may be partially responsible for lower levels of satisfaction with the way democracy has been operating. Likewise the lack of information and understanding about the EU processes and policies adds to the confusion. The public reads in the press or is informed through other forms of mass media that certain criteria must be met for EU monetary integration for example, but are not given the details as to how and why and in what way these are to be met. This likewise breeds discontent and misinterpretations about intended policies and their outcomes. This lack of an effective debate can be partially understood due to the fact (stated previously) that the press is dominated by political parties which mostly reflect partisan positions rather than the issues themselves.

Although a discussion concerning satisfaction with the operation of democracy in a particular nation-state seems to naturally lend itself to making conclusions about the level of social legitimacy therein, one must be cautious and not simply assume that there is a direct correlation between level of satisfaction with democracy and level of social legitimacy. This relationship is not a zero-sum relationship, but as this study tries to demonstrate, what is involved is a more complex combination of elements which include political, economic and historical socio-cultural factors which weigh into this equation. Having stated that however, steadily rising levels of dissatisfaction with the way democracy operates along with disenchantment with one's life changes and economic prospects certainly do not forebode well for the future. Thus the indicators of satisfaction/dissatisfaction with the operation of democracy expressed by citizens and its affects on the political life of the country is one of the variables that needs to be considered when examining social legitimacy.

5.6 Conclusion

The principal purpose of this chapter has been to focus on the political environment in Greece to explore the contours of the Greek political system and its surroundings to make some observations about formal and social legitimacy as they have been defined in this study. Beginning with an examination of the formal structures of the Greek political system, this chapter explored the particular characteristics of Greek political structures and their functions.

A glance at the political party system has demonstrated that party cleavages and party polarisation has left a tenacious imprint on the political party system. Political parties continue to play an integral role in lending legitimacy to the Greek political

system yet their exalted position as the main vehicle of interest articulation has suffocated the development of other interest groups which could possibly open up more channels of communication between citizens and government. Administrative structures, such as that of the bureaucracy, need to become autonomous of party politics and develop their own identity to be able to function effectively. This depolitisation of state structures and organisations (such as the GSEE) could possibly provoke more extensive renovations within the political system generally. The adoption of a fixed electoral system could also add a more stabilising, democratic element to the political system.

What stands out about the Greek example is that modern Greek political life is very much a synthesis of Greece's past traditions along with new forms which have been adopted, transformed and appropriated within the contemporary Greek environment. Greek political culture has often been described as a culture in transition, that is, a political culture in the process of moving from its traditional past on to new pastures, taking various practices from the past and embracing new conventionalities.[103] This has created a multi-faceted political environment with many patterns and forms which are distinct to the country and its people. What has been highlighted here however, is that the apparent interest and enthusiasm which Greeks possess for politics needs to be placed within a political context which witnesses an absence of constructive and democratic political discourse. Additionally, serious structural deficiencies and weaknesses within the political system have hindered interest articulation by not providing for vehicles of effective communication of citizens' interests into the decision-making process. The outcome has been spontaneous expressions of disapproval of proposed government policies in the form of strikes and demonstrations of one kind or another, whether that be milk farmers throwing milk in the streets to protest the lowering of prices or agriculturists placing their tractors in the middle of the road and closing off traffic on the main national motorway.

Lastly, a look at public opinion as expressed through EUROBAROMETER surveys shows that Greeks have been increasingly more dissatisfied with the way democracy operates in their country. Some of the possible explanations for this increase in dissatisfaction have been mentioned, and although one may be inclined to directly associate an increase in dissatisfaction with how democracy operates with a decrease

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[103]*See* Nikos Demertzis (in Greek) "Η Ελληνική Πολιτική Κουλτούρα στη Δεκαετία του '80." In *Εκλογές και Κόμματα στη Δεκαετία του '80, op. cit.* for a provocative discussion of whether or not it is still fruitful to look upon political culture in contemporary Greece as in *transition*.

in a sense of social legitimacy, there are various other factors which need to be considered before such a conclusion can be drawn. Certainly, however, this rise in dissatisfaction does signal a warning sign which needs to be carefully contemplated in an examination of legitimacy.

Chapter Six

THE GREEK WELFARE STATE

6.1 Introduction

Attention in this chapter is turned to examining the welfare state as it relates to the central focus of this study, the question of legitimacy. Gøsta Esping-Andersen's regime type cluster scheme -- further expanded by Stephan Liebfried -- characterising Greece within the 'Latin rim' countries as a 'rudimentary' type of European welfare state will begin a discussion of the Greek welfare state. A brief look at the Greek state and its ubiquitous role within Greek society will follow to draw out Greece's distinctive welfare state characteristics. The next section will further discuss some of the particularities of the Greek welfare state while the last part of this chapter will investigate the private versus the public debate over social welfare in Greece. The ultimate goal behind this partly theoretical, partly descriptive analysis of the welfare state is to position Greece within these debates and seek out how these feed into the question of legitimacy.

As was discussed in Chapters One and Two of this study, the debates surrounding the modern welfare state are variegated and numerous. In contemporary discussions describing the basic responsibilities of the modern welfare state, the most frequently cited of these are: (a) providing for a minimum standard of living for all citizens; (b) participating in the process of social reproduction; and (c) providing for basic social services such as education, health care, and social security. The means by which the above are to be achieved is through policy-making, usually involving the state as the main actor and to varying degrees private organisations and agencies. Ramesh Mishra defines the welfare state as:

> A liberal state which assumes responsibility for the well-being of its citizens through a range of interventions in the market economy, e.g., full employment policies and social welfare services. The term includes both the idea of state responsibility for welfare as well as the institutions and practices through which the idea is given effect.[104]

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[104]Ramesh Mishra, *The Welfare State in Crisis*, (NY: St. Martin's Press) 1984, p. xi. *See esp.* the first chapter of the book, "The Lost Legitimacy," for Mishra's account of what led to the legitimacy of the welfare state in the post-war era and his argument in favor of a contemporary 'corporatist' -- 'integrated' welfare state.

Richard Rose separates welfare state attributes into two categories: "social benefits that are state-based or market-based"[105] and those which are 'political' and include such issues as who is entitled to civil and political rights. The welfare state has also been interpreted as laying a foundation and a basis for consensus building. The idea here is that certain welfare state policies, for example, those which provide for a minimum standard of living, tend to create a basis for unity and consensus among all social strata in society, although different social strata have diverse reasons and interests for having such welfare policies. This can be related to the case of Greece, where one finds quite a high level of social agreement as to the need for social security policies which are considered to be responsibilities of the state. The state thus acts as that mechanism which tries to even out inequalities -- in an attempt to avoid social conflict -- by instituting welfare policies.[106]

The central question that needs to be posed for the purposes of this study, however, is whether this does in fact create social legitimacy for the system. In other words, do welfare state policies -- acting as mechanisms which supposedly even out social inequalities and irregularities as well as setting a basic standard of living -- enhance the degree of social legitimacy for the system? Furthermore, where does Greece fit into this discussion? Has her laggardly development of a welfare state substantially affected the degree of social legitimacy for the operation of government? Equally as pertinent for a discussion of legitimacy is the reverse question: Does a debilitated welfare state translate into less social and political legitimacy? As has been mentioned previously in this study, the term *crisis* has often been employed in a variety of ways and by various authors to describe the present state in which modern welfare states find themselves. All means will be utilised in this study to avoid a misconstruing of the idea of crisis (with its various meanings and interpretations) with a waning of social and political legitimacy. The intention here is to focus on the political and social dimensions of legitimacy, and not confuse that with the prolific literature written on and describing *crisis*.

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[105]*See* Richard Rose, "Bringing Freedom Back in," In *New Perspectives on the Welfare State in Europe,* Catherine Jones ed., (London: Routledge) 1993, pp. 221-241.

[106]Maria Petmezidou-Tsouloubi has elaborated on this point in her work concerning social policy. *See* (in Greek) *Κοινωνικές Ανισότητες και Κοινωνική Πολιτική* (Αθήνα: Εξάντας) 1992. Gøsta Esping-Andersen is representative of an analyst who believes that the welfare state is not merely *involved* with the issue of inequalities but rather he has more forcibly argued that: "The welfare state is not just a mechanism that intervenes in, and possibly corrects, the structure of inequality; it is, in its own right, a system of stratification." *See* Gøsta Esping Andersen, *The Three Worlds of Welfare Capitalism,* (Princeton, NJ: Princeton University Press) 1990, esp. chapter one.

6.2 Greece as a 'Rudimentary' Welfare State

One way of placing the Greek welfare state within a European Union context for purposes of analysis is to utilise the work of Gøsta Esping-Andersen. Esping-Andersen has established a means by which to categorise European welfare states in an attempt to remark on their differences and similarities.[107] By focusing on state, market and family relationships and their interconnectedness as they relate to the welfare state, Esping-Andersen has outlined three regime-type clusters which he labels the 'liberal' welfare state, the 'corporatist' welfare state, and the 'social democratic' welfare state[108] (see Table 6.1). None of these three regime-types alone adequately describes the case of Greece as a welfare state (and this holds true for the other southern European member states). Nonetheless his work has laid a framework for a typology of European welfare states which has been taken up by other analysts who have further elaborated on his scheme.[109]

Regime Type Clusters	**Characteristics**
'liberal' welfare state (USA, UK, Canada, Australia)	'modest social insurance plans predominate,' benefits provided by the state are minimal; the market is to subsidise private welfare which the state does not provide
'corporatist' welfare state (Austria, France, Germany)	state more active as a provider of welfare which goes back to the historical precedent from the time of Bismarck that the state granted certain social rights to its citizens
'social democratic' welfare state (Scandinavian countries)	universalism and decommodification of social rights; state acts to promote equality and certain standards that go beyond simply the minimal needs of citizens

TABLE 6.1 Gøsta Esping-Andersen's Three Regime-Type Clusters[110]

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[107]*See* in this study Chapter One, 1.2.3 and Chapter Two 2.3.3 for previous discussions of the welfare state.

[108]Gøsta Esping-Andersen, *The Three Worlds of Welfare Capitalism, op. cit.*, pp. 26-29.

[109]*See* Francis G. Castles, "Welfare State Development in Southern Europe," *West European Politics*, Vol. 18, no. 2, April 1995, pp. 291-313 for a discussion of a time-series model of social insurance growth which compares Greece, Portugal and Spain with other advanced nations using OECD data.

[110]Table based on Gøsta Esping-Andersen's three regime-types found in *The Three Worlds of Welfare Capitalism, op. cit.*, pp. 26-29.

It has been Stephan Liebfried[111] who has enhanced Esping-Andersen's regime-type cluster scheme to include a fourth regime-type, what he labels 'Latin rim countries' which include Spain, Portugal, southern Italy, Greece, and to a much lesser extent France.[112] The characteristics of 'Latin rim' welfare states are distinct from those which Liebfried labels Scandinavian welfare states, the Anglo-Saxon countries, and the 'Bismarck' countries in many ways. Table 6.2[113] lists the particular characteristics of 'Latin rim' countries as Liebfried explains them and as they are here interpreted as applying to the case of Greece.

'Latin Rim' Countries	As Applied to the Case of Greece
(a) no right to welfare is given	(a) however, in Greece the state acts as employer by way of a large public bureaucracy
(b) older traditions of welfare exist	(b) clientelist practices as a legacy of the past and its affects on how the state is perceived; the role of the church and family in society
(c) different labour market structures: strong agricultural bias	(c) applies to the case of Greece which still has approximately 1/4 of its labour force involved in agriculture
(d) do not have full employment tradition	(d) characteristic of Greece; has the largest percentage of self-employed among EU member states
(e) welfare state of *institutionalised promise*	(e) Greek governments continue to promise welfare (structural) reforms which are implemented at best only partially

TABLE 6.2 Characteristics of 'Rudimentary' Welfare States: The Case of GREECE

What Liebfried has basically done is build upon Richard Titmuss' 'institutional' 'redistributive' and 'residual' models of welfare to create his scheme. By distinguishing four social policy regimes, Liebfried hopes to reveal that EU member states have very different traditions of welfare which create formidable obstacles in any attempt to create a 'common' welfare state in Europe. In fact Liebfried remains

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[111]Stephen Liebfried, "Towards a European Welfare State?" In *New Perspectives on the Welfare State*, Catherine Jones, ed., (London: Routledge) 1993, pp. 133-156.

[112]What Stephen Liebfried is attempting to do, to use his own words, is to explore "... the interfaces between poverty, social insurance and poverty policy. The different consequences which the introduction of a *basic income* scheme under each regime might have" is his basic aim. *op. cit.*, p. 139.

[113]This table is based on Stephen Liebfried's types of European welfare states, "Towards a European Welfare State?" In *New Perspectives on the Welfare State*, Catherine Jones, ed., *op. cit.*, pp. 139-143. See esp. his Table 7.3 on p. 142 which summarises this discussion.

very skeptical that the EU can implement a substantive EU welfare policy per se and argues that instead it will most likely continue to produce descriptive formulas regarding social legislation.

Returning back to the case of Greece, one can observe that Liebfried's description of 'rudimentary' welfare states does partially characterise the particularities of the country. Liebfried mentions that the older tradition of welfare tied to the role of the Catholic Church is influential in these welfare states, while clearly with Greece it is the Greek Orthodox Church which has played an integral role in Greek society affecting notions of social welfare. Furthermore the Greek state's omnipresence in society has played a very influential role in shaping and determining the ideas of social welfare which have become deeply embedded within the Greek consciousness. The large percentage of public workers has meant that middle stratum interests and concerns have become cemented into the mentality behind social legislation that is produced concerning this group. Greece's idiosyncratic labour market structures are characteristically rigid: i.e., Greece has inflexible wage levels and her other capital market structures are quite fixed.[114] Labour market structures in other member-states began to undergo necessary adaptations in the 1980's due to changes occurring in the area of production. As Lyberaki points out there are two major types of labour market flexibility which can be interpreted to roughly correspond with Esping-Andersen's regime type clusters mentioned above. The first type is associated with the 'liberal' welfare state model while the second with the 'corporatist' and the 'social democratic' welfare models. As Lyberaki writes:

> The first type is purely defensive and attempts to lower wages and social benefits in order to meet the fierce competition poised by standardized products. The second type is associated with an offensive strategy, which seeks higher quality of products and worker's skills for the purpose of technological modernization in both the social and economic sense.[115]

Greece, for all intents and purposes, adopted neither of these types of labour market flexibility in the 1980's and has only recently (since 1990) begun to consider introducing certain revisions and adaptations of its labour market structures. The historical development of Greece's state structures have likewise created a unique set

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[114]For a discussion of Greece's market structures and institutions and how this has led to Greece's 'divergence' or 'convergence' with the EU, *see* Antigone Lyberaki, "Greece-EC Comparative Economic Performance: Convergence or Divergence?" In *Greece, the New Europe, and the Changing International Order*, Harry J. Psomiades and Stavros B. Thomadakis, eds. (NY: Pella Publishing Co. Inc.) 1993.

[115]*Ibid.*, p. 188.

of forces which have influenced the make-up of social policy for the country. Greece's political vicissitudes and her uneven and irregular economic evolution are additional factors governing the development and recent attempts at reforming the welfare state.

Thus the connections that can be made from the above discussion to our question of legitimacy are best summarised by reiterating several points. The first of these concerns the traditional role of the state and the church as a legitimating force behind state actions. The 'older traditions of welfare' that Liebfried discussions allude to the prominent place that the Church has had in 'Latin rim' countries and in Greece the Greek Orthodox Church has helped to legitimate state policies and social programmes.[116] Secondly, the Greek public bureaucracy, by employing a large workforce, has perennially satiated a large percentage of the population while creating social policies based on and reflecting very much the interests of the middle stratum. The particulars of the labour market and Greece, and how this feeds into legitimacy will be discussed in some detail in the following chapter of this study. Let it suffice here to repeat that Greece's still sizable agricultural base and the large percentage of self-employed entrepreneurs reflects the absence of a full employment tradition in Greece. That the state continues to *promise* certain welfare provisions which it is incapable of effectively providing perhaps is the most outstanding deficiency of the system, and here is where there appears to be declining levels of social legitimacy for the Greek welfare state. Greek citizens have come to acknowledge that the state cannot make good its promises to provide a level of services which are expected yet they are reluctant and fearful of having these fall into the private domain. Thus a dilemma has arisen: on the one hand there is recognition of the Greek states' inability to supply requisite welfare provisions, yet on the other hand there remains an unwillingness to have private organisations and agencies take on what have been traditionally considered state responsibilities.

6.3 The Major Antithesis: An Omnipresent Greek State Yet Simultaneously a Weak Welfare State

Traditionally, Greeks have expected the government in power to administer social provisions since *prima facie* when the centralised Greek state was initially formed, it was that structure which was able to dispense state resources to individuals found among the various social strata within Greece at the time. In the absence of other

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[116]Perhaps this helps to explain why in Greece issues such as those of abortion and divorce have not involved public controversy between church and state as compared to the disagreements that have raged between the Roman Catholic Church (personified in the person of the Pope) and those countries where Roman Catholicism is predominant.

structures or institutions the state was the provider of resources and its 'clients' were the citizens who supported it with their votes in return for generous remittances. That the state owned and operated the major banking centres in the post-World War Two era (the National Bank of Greece and the Commercial Bank became responsible for 90% of Greece's savings during that time)[117] -- further served to feed the notion that the state was that structure which could unabatedly provide financially for those citizens who would support the government in power at the polls.

Additionally, in Greece particularly so at the beginning of the twentieth century, the state directly took on functions of the capitalist market (for example, by setting prices on a variety of basic commodities, establishing salaries and salary increases for all public sector positions, and by investing in almost all areas of industry) as industrialisation and its accompanying capitalist structures and institutions developed belatedly.[118] Capitalism and its labour market structures in Greece developed half a century behind that of the nation-states in northern Europe. In fact in many ways Greece still has precapitalist structures and practices. This has resulted in the state acting not only as a regulator of the capitalist system in Greece (*guiding* the invisible hand) but also as the major force steering and leading the system (*replacing* the invisible hand with state directives).

What likewise needs to be considered is that there has been a huge influx of foreign capital into the Greek economy, a practice that climaxed in the 1950's and the 1960's which boosted the Greek economy substantially then while creating an economic dependency on the infusion of this exogenous capital. After some thirty odd years since this surge of foreign capital into the country, one still witnesses in Greece the reliance on foreign money, whether that be in the form of loans, or through multinational corporations investing in Greece, or more recently through the European Union by way of a variety of channels and mechanisms.[119] Greece today still relies largely on foreign capital, even to subsidise welfare state policies at home. This has created an economic dilemma for Greece the extent to which has often been underestimated and is certainly underplayed by each government that comes to power.

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[117]Nicos P. Mouzelis, *Modern Greece: Facets of Underdevelopment*, (UK: Macmillan Pubs., 1978), p. 25.

[118]*Ibid.*, p. 27.

[119]For example, the *Objective One* Funding plans, the *Structural* Funds, and the First and Second Community Support Frameworks (Delors I and II Packages).

A further aspect to the discussion of the welfare state which needs some clarification is a distinction between the sporadic and favouritist practices of the government in power (which has resulted in the politicisation of welfare state practices) and that of welfare state policies *de jure*. The former was very widespread in Greece at the beginning of the twentieth century and can still be detected today. The latter, the development of welfare policies and a plan laying down the structures of the welfare state through the enactment of laws, did not transpire until way into the post-World War Two era. The National Health Care plan (IKA), for example, was not put into effect until 1937, and even then a majority of the Greek population (67%) was not covered under the plan.[120] Today there are some 370 different insurance organisations operating in Greece (basically established along one's line of work, for instance there is one for public workers, one for bank employees, one for farmers and agriculturists, and so on) some eighty of which provide full health care which includes hospitalisation.[121] The remaining organisations have differing policy coverage, which may include disability pay, worker's compensation, and retirement pay. However, what is absent is a general basic minimum standard of coverage which all insurance organisations must provide. Even more importantly, absent is a uniform state policy determining and setting out the states' contribution to these various insurance organisations, which are all subsidised by the central government, but to varying degrees. This has resulted in a very unequal and lopsided distribution of health care in Greece today.

In the post-authoritarian era, Greek governments (even those of ND, a conservative party), have continued to dispense copious benefits to particular groups within society in the form of money which the state cannot afford which reinforce social inequalities without addressing citizens' real needs and which create huge deficit dilemmas for the state. Political parties, each vowing to provide better benefits and improved services, have coloured discussions of the welfare state along political party lines. This 'welfare greed' approach disguises the real concerns and creates controversy around the issues rather than trying to outline a comprehensive plan for welfare which could be discussed and debated meritoriously. For example, inflation during the past fifteen years in Greece has hovered between 16% to just recently in February 1995 to around 8.4% (still the highest inflation rate among EU members). This has necessitated governments to continue to raise the amount of money given to retirees, however, this has not helped eradicate the problem of poverty of the elderly.

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[120]Maria Petmezidou-Tsouloubi, (in Greek) *Κοινωνικές Ανισότητες και Κοινωνική Πολιτική*, (Αθήνα: Εξάντας) 1992, σ. 126.

[121]*Ibid.*, p. 126-127.

No long term programme has been sketched out to try to deal with the reality that longevity has created new concerns as to how to sustain an older population which can no longer contribute to the GDP.[122] Welfare state structures such as those of education and health care (i.e. social services) continue to be inadequately organised and are insufficient today to sustain Greek citizens' needs. Much of what the state cannot provide has been taken up by other structures, mainly the family, for example (mentioned previously in this study), which often acts as both monetary and health care provider for the elderly and subsidises other family members who are unemployed, serving in the military, attending university or disabled. There are few if any other voluntary associations or organisations that operate in Greece to supplement state welfare services.[123]

6.4 The Particularities of the Greek Welfare State

A recent look at the literature written on the Greek welfare state reveals that it has been characterised and interpreted in a variety of ways, depending upon ones initial theoretical and political perspective. Most certainly, however, the Greek welfare state has been described as underdeveloped, whether structurally in functional terms reflected in policy theory or via a systems approach, particularly so when Greece is compared with north European nation-states. For example, Greece is considered: (a) less industrialised, and lacking heavy industries, while maintaining an agricultural orientation; (b) less indicative of *post-Fordism*; (c) lacking proletarianism, while composed of a middle stratum in society which includes a large percentage of public workers who have a privileged position concerning access to welfare benefits.[124] Nevertheless one must consider that welfare state provisions were never adequately

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[122]When comparing OECD countries, Greece spends more of its GDP on pensions than any other country. *See* Georgios Provopoulos and Platon Tinios, "Pensions and the Fiscal Crisis of the Greek State," In *Greece, the New Europe, and the Changing International Order*, Harry J. Psomiades and Stavros B. Thomadakis eds., *op. cit.*, pp. 325-349 for a discussion of social security spending in Greece which focuses on pension spending. For exact numbers *see* (in Greek) Υπουργείο Εθνικής Οικονομίας, *Προσωρινοί Εθνικοί Λογαριασμοί της Ελλάδας*, "Πίνακας 9: Εσοδα και Εξοδα των Οργανισμών Κοινωνικής Ασφάλισης απο Τρέχουσες Συναλλαγές," σ. 28, (Αθήνα: Σεπ.) 1989.

[123]For example, absent in Greece are voluntary organisations such as shelters for battered wives, free clinics for narcotic addicts, voluntary fire fighter associations, or literacy programmes which are found in many western nation-states that have achieved a degree of decentralisation at which level many of these organisations develop and operate. Absent as well are organisations such as consumer protection agencies. The current Development Minister, Vasso Papandreou, has just recently announced that the present PASOK government is looking into this issue, as plans are underway for the development of a consumer protection department which will have centres in cities and prefectures. *Athens News Agency Bulletin*, 13 March 1996.

[124]For an in depth analysis of the characteristics particular to the Greek welfare state, *See* (in Greek) Θωμάς Μαλούτας, "Χωρική Δομή και Κοινωνική Διαδικασία στην (Υπ)ανάπτυξη του Κράτος Πρόνοιας," σ. 273-325, in *Προβλήματα Ανάπτυξης του Κράτος Πρόνοιας στην Ελλάδα* (Αθήνα: Εξάντας) 1988. *See* likewise (in Greek) Σάββας Ρομπόλης και Μιχάλης Χλέτσος, *Η Κοινωνική Πολιτική Μετά την Κρίση του Κράτος Πρόνοιας*, (Θεσσαλονίκη: Παρατηρητής) 1995.

and efficiently developed in Greece in the first place. In the first decade of the post-World War Two era when northwest European nation-states began to develop the structures and institutions of a modern welfare state, Greece suffered through a civil war and a politically unstable era which hindered the development (and even stifled the discussion of) the prerequisites necessary for a Greek welfare state. Greece was busy trying to make amends with a society which had been torn apart by the Second World War and then shortly thereafter further divided by an even more vicious and savage civil war. Other social factors that inhibited the development of a Greek welfare state concern the large migration that occurred in the 1950's and 1960's in Greece which meant that a large percentage of the more skilled labour force left the country. Additionally, the working class in Greece in the post-civil war era was unable to exercise pressure on the state to bring about extensive social reform. Basic social policies such as establishing a poverty line and a basic level of subsistence did not come about. Welfare state provisions and social programmes did not begin to be effectively formulated and implemented in Greece in fact until the post-1974 era, a time when the first signs of a coming world economic recession was on the horizon. The dictatorship also inhibited construction of a welfare state, since income distribution continued to be extremely unequitable and clientelism was reinforced. Indeed Greece's clientelist system and the lack of a social democratic tradition have also stunted the growth of welfare state structures. Greece's highly centralised state as mentioned in the previous two chapters, has resulted in policy decisions being taken almost exclusively at that level, and the *second tier of government* is a recent development which has yet to bear fruit. Thus welfare state policies continue to be made at the core by the party in government, continuing their politicisation and their association with the party state apparatus.

Partially as a result of this retarded growth of welfare state structures, and partially due to a socialisation process which emphasises family and friendship ties, other societal institutions and structures have supplemented and in some cases replaced those of the welfare state in Greece, particularly the extended family, organisations and clubs (Σύλλογοι) formed among those from the same birth place, or based on some other demographic similarity. Therefore informal structures in Greece have played a role in providing for some of those who fall between the cracks[125] of the Greek welfare state. However, this phenomenon appears to be in the process of

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[125]Or as Albert Weale has stated when discussing the possibilities of EU social policies, such policies must be developed to avoid citizens slipping through the holes of the 'social safety net'. *See* Albert Weale, "Social Policy and European Union," *Social Policy and Administration*, Vol. 28, No. 1, March 1994, pp. 5-19.

modification, as demographic changes brought on by variations in the labour market have resulted in a disintegration of the traditional extended family, and economic hardships have meant that family members are continuously experiencing growing fiscal problems. Supporting (financially, as well as by providing shelter for) an elderly grandparent or a cousin out of work -- something which one once did not think twice about -- is becoming less apparent in Greece, particularly so in the major metropolitan cities of Greece today.

In an attempt to remark more intelligibly upon the Greek welfare state and government policy-making as it relates to our discussion of legitimacy, a chronological periodisation follows, beginning with the immediate post-authoritarian era in Greece from 1974 up to 1981, which marks the beginning of a new political era in modern Greek history. This is followed by a consideration of welfare policy during the era of PASOK under the leadership of Andreas Papandreou (1981-89), followed by a look at what awaits in the 1990's.

1974 to 1981

Government welfare policies in the post-1974 era can be said to have received a degree of *social* legitimacy for the newly democratic system which emerged after the junta but this was a type of social legitimacy turned inward[126] characterised, for example, by changes which occurred in the public sector through the development of health care and education, better pay for public workers, loans for those wishing to buy their own home, etc. Therefore, in one respect, the state began to be perceived of as socially legitimate, but by a particular middle stratum in society that saw itself directly benefiting from these provisions.[127] This stratum (which was privy to these welfare state provisions) was composed of public workers, individuals in the banking industry, those employed in the armed forces, and a portion of the petty bourgeoisie. However, it seems no longer useful to utilise the original Marxist class terminology for contemporary analyses. This also holds true for the classical explanations of Taylorism and *post-Fordism* which were not indicative of Greek society in the immediate post-1974 era since Greece's labour market, labour force and production process were distinct from those of northern European states. I thus agree with Nicos Mouzelis who has maintained that neither Greek contemporary

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[126]*See* (in Greek) Θωμάς Μαλούτας, Δημήτρης Οικονόμου, "Εισαγωγή Κράτος Πρόνοιας: Το 'Πρότυπο' και η Ελληνική Εκδοχή Του" *op. cit.*, esp. pp. 32-37.

[127]*See* (in Greek) Δημήτρης Οικονόμου, "Σύστημα γής και κατοικίας στη Μεταπολεμική Ελλάδα," in *Προβλήματα Ανάπτυξης του Κράτος Πρόνοιας στην Ελλάδα*, Θωμάς Μαλούτας, Δημήτρης Οικονόμου (επιμ.) (Αθήνα: Εξάντας) σ. 57-113.

industrial nor social structures are indicative of *post-Fordism*.[128] James Petras has best summed up the Greek political reality when remarking that: "Greek politics today is not divided by horizontal classes but by rival vertical patronage machines that mobilize voters through state networks in office and through pseudopopulist appeals out of office."[129] Nevertheless welfare state policies in Greece in the immediate post-authoritarian era were very much provided through an impetus on the part of the middle stratum in society. This stands in contrast to northern European states which had strong blue collar working classes which pressed for social welfare policies in the decades following the close of the Second World War.

More generally, this era was an era of consensus building in Greece after a tumultuous political epoch in modern Greek history, and both the forces of the right and left in Greece shed their extreme political positions and entered a political arena which was attempting to develop a politically legitimate forum for debate and reconciliation (particularly during Konstantinos Karamanlis' tenure in power). Thus social and political legitimacy was developing for a political system which was beginning to institute democratic practices. The state thus was seen in a more favourable light, and was perceived of as that mechanism which could dispense welfare provisions to a population which had been exhausted financially and physically from war and which felt it deserved compensation.

Clearly then, the immediate post-authoritarian era in Greece was one which witnessed a welcomed return of democracy to the country and this provided the background and the necessary support for the state to step in and begin creating the basis for a welfare state. The bulwark that had developed against the colonel's dictatorship created a consensual political climate which promoted democracy while proving conducive to such actions on the part of the state which would reflect democratic principles and provide much needed social services for citizens. Therefore positive expectations of what the state could provide its citizens in terms of welfare benefits were built up during this era, yet succeeding governments would not be able to shape a climate of *realistic* expectations of what the state *in practice* could provide.

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[128]*See* Nicos P. Mouzelis, "Greece in the Twenty-first Century: Institutions and Political Culture," In *Greece Prepares for the Twenty-first Century*, Dimitri Constas and Theofanis G. Stavrou, eds., (London and Baltimore: The John Hopkins University Press), 1995, pp. 17-34.

[129]James Petras, "The Contradictions of Greek Socialism," In *The Greek Socialist Experiment*, Theodore C. Kariotis, ed., (NY: Pella Pub. Co.) 1992. p. 126.

1981: The Beginning of the 'Populist Decade' in Greece

The decade of the 1980's, having been described as the 'populist decade' in Greece[130] fundamentally left its mark on the political, social and economic life of the country. In PASOK's first four-year term in power, welfare state dispensation[131] increased substantially in Greece,[132] but at the expense of creating a huge public debt requiring further reliance on foreign capital, mostly in the form of high interest loans. Furthermore, although the amount of money being dispensed to the public from state coffers increased, this had only short-term effects since inflation was very high and structural and long-term changes to the welfare state system (which were sorely needed) did not occur.[133] As a result, indecision concerning the foundation and the future of the welfare state in Greece -- the real conundrum -- continued (and still continues) unresolved. Thus instead of utilising populist backing and widespread political support to reform the state and implement major changes to the patron-client system, PASOK defaulted on its promises of αλλαγή -- *change* and fell into the same trap as its predecessors of dispensing favours in return for loyal support.

Likewise it is worth recalling that from 1981 Greece was beginning to receive sizable amounts of money from the European Community[134] which were earmarked for social welfare reforms of the state administration which had as a goal to upgrade and help modernise Greece's administrative system. It should likewise be remembered that this was the era of the new consumerism in Greece and a time when a growing class of *nouveaux riches* came into existence. Again, a period of heightened expectations as to what the state could provide its citizens in terms of welfare benefits was augmented by PASOK, resulting in a transient legitimacy for government actions which would fade with the onset of austerity measures instituted in PASOK's second term in office.

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[130]*See* the various essays in Richard Clogg, ed. *Greece 1981-89 The Populist Decade*, (NY: St. Martin's Press) 1993.

[131]And a great deal of civil law reform took place as well affecting social programmes and social policy.

[132]*See* figures from the Greek Ministry of the National Economy (in Greek), Υπουργείο Εθνικής Οικονομίας, *Προσωρινοί Εθνικοί Λογαριασμοί της Ελλάδας*, "Πίνακας 6: Τρέχουσες Δαπάνες του Δημοσίου για Αγαθά και Υπηρεσίες," σ. 25, (Αθήνα: Σεπ.) 1989.

[133]Inflation ranged between 20.7 % to 17.9% from 1981 to 1984. *See* James Petras, et. al., "Greek Socialism: The Patrimonial State Revisited," In *Mediterranean Paradoxes*, James Kurth and James Petras, eds., (Providence, Rhode Island: Berg Publishers) 1993, esp. Table 6 on p. 218.

[134]Funds from the Community continued throughout the 1980's and have done so likewise into the 1990's. The European Social Fund (ESF) which was part of the First Community Support Framework for Greece from 1989-93 allotted 1,728 million ecus to Greece. *See* Commission Decision 30 March 1990 (90/203/EEC) *Official Journal of the European Communities*, No L 106/26, 26 April 1990.

One of the few positive consequences of PASOK's first tenure in power in the 1980's was its ability as a movement to incorporate into the political arena social groups and portions of the population which had remained outside of the Greek political environment since the close of the Second World War. As Christos Lyrintzis has remarked: "... the populist mode of political participation adopted by PASOK had a positive side, to the extent that it incorporated into the political system social strata that were politically marginal during the postwar period."[135] However, Lyrintzis as well goes on to further note that there was a "... negative side to the same process, namely that PASOK incorporated these groups into politics by maintaining their dependence on the state and by exacerbating the inadequacies, inefficiencies and irrationalities of both the political system and the state apparatus."[136] Hence on the one hand, social legitimacy for the PASOK government could be said to have been enhanced by its ability to bring into the political system once marginalised groups, yet on the other hand, once these groups were brought in, they fell victim to the same overpowering inept bureaucratic state apparatus which remained unchanged and thus these groups became quickly 'disenchanted' with the operation of the administration. At the same time Greece's economic performance failed to match expenditure demands. Therefore although certain welfare provisions (and civil law reform) increased during PASOK's first tenure in power, these were soon overshadowed by the realisation that these provisions were dispensed at a severely inflated cost to the state and to citizens which would have devastating economic repercussions on the macroeconomic life of the country.[137] More importantly, structural reform which was most needed did not occur which further set back the process of modernisation and modification of the public sector.

PASOK's return to power in October 1993 (after a short absence filled by the New Democracy party from 1990 to 1993 which experienced dilemmas and tenacious popular opposition when attempting to curtail welfare state policies) under an ailing Andreas Papandreou (both physically and in terms of popularity) experienced severe difficulties in facing the challenges raised by the first years of the decade of the 1990's, and at the same time keeping its promises of providing generous benefits to its citizens. Papandreou's plans of revamping the welfare state fell by the wayside as

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[135]Christos Lyrintzis, "PASOK in Power: From 'Change' to Disenchantment," in Richard Clogg, ed. *Greece 1981-89: The Populist Decade*, *op. cit.* p. 36.

[136]*Ibid.*, p. 36-37.

[137]A debate in Greece among academics and commentators on the PASOK era is still raging over whether PASOK was in practice considering the demands of the less well-off who desperately needed welfare provisions or whether this government, just as those of the past, continued to perceive the middle stratum in society as the largest group whose demands should be the central focus of policy-making.

the state debt grew, as the clock further ticked toward the realisation of the EMU, and as plans continued towards the achievement of a common European currency. The real dilemma for Greece is how to keep up with her EU partners who have set as a goal the achievement of a monetary union and at the same time juggle pressing and urgent domestic concerns.

The 1990's

The 1990's is a decade which is witnessing thus far the shrinking of the welfare state worldwide and in the case of Greece one can observe increases in the percentage of welfare state costs being taken on by citizens, while provisions continue to be dispensed under the inefficient control and administration of the state. Increases in the percentage of money taken out of one's pay for IKA (the National Health Care system which is near bankruptcy) and other state-run insurance plans (TEBE, for example, another insurance plan covering those who own small businesses and who are free-lance, which is also running in the *red*) have meant that a larger chunk of one's salary is being used to subsidise welfare state policies which the state finds increasingly more difficult to fund. In Greece, retiree funds are often being paid out to senior citizens with borrowed money.[138] The state coffers continuously show deficit and the forecast for the future continues to be as equally as challenging. The real problem however, is not simply that more money is being pulled out from one's pay, (although this certainly has created personal fiscal hardships) but that this money is not being utilised appropriately by the state to: (a) institute a higher quality of health care; (b) resurrect and revitalise an educational system which is archaic and inappropriate in today's global world environment; and (c) re-examine and determine appropriate means to provide for an increasingly larger percentage of elderly persons, as the demographics of the country continue to change.[139] Hence the real dilemma for the Greek welfare state continues to be how to create a more coherent and long-term social policy programme addressing citizen needs and requirements.

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[138]*See* Georgios Provopoulos and Platon Tinios, "Pensions and the Fiscal Crisis of the Greek State," In *Greece, the New Europe, and the Changing International Order*, Harry J. Psomiades and Stavros B. Thomadakis eds., (NY: Pella Publishing Co., Inc.) 1993, pp. 325-349, particularly Table 4 *Social Security Finances and the Public Sector Deficit (% of GDP)* p. 345. These authors discuss the 1982 government decision that increased the amount of money given to those receiving IKA pensions but which did not correspondingly increase the amount of money being taken in by the government to subsidise this increase. Therefore, "... [t]he resulting deficit was financed by bank borrowing, thereby creating further burdens for the future." *Ibid.*, p. 333.

[139]The aging of Greece's population is occurring more rapidly than in any other member state of the EU. For comparisons of EU member-states, *see* European Commission, *Greece: Community Support Framework, 1994-99*, (Luxembourg: Official Publications of the European Communities) 1994, p. 11.

Since taking on the position as Prime Minister in January 1996, Kostas Simitis, a fifty-nine year old, known to be a moderniser within the PASOK party, has pledged to revitalise the Greek state and its institutions by introducing incremental, methodical changes.[140] A transformation of state structures will undoubtedly allow for the more efficient operation of the welfare state in Greece, and give Greece the opportunity to gradually bring her standard of living up to par with that of her EU partners. The operating costs of the welfare state in Greece, for example, are huge while the distribution of money and resources to individuals and to the various social policy areas (re: education and health care) are not commensurate. These types of disparities and irregularities found within the welfare state must be addressed and solved for a more evenhanded and equitable system to emerge which will allow for a greater sense of legitimacy to be perceived concerning their operation.

6.5 Public Versus the Private Debate: Who is to Pay for What

Since 1990 the public versus the private debate in Greece began at full speed, and discussions have focused on proposals for semi-privatising some of the traditionally state run and administered utilities and industries in Greece. As has been mentioned previously in this study, the Greek government has owned and operated all the major utilities in Greece, including the National Telephone Company (OTE), the National Electric Company (ΔΕΗ) and the National Water Supply Company (ΕΥΔΑΠ). This has resulted in the build up of a massive, clumsy public bureaucracy discussed in some detail in the Chapter Four.[141] The particularities of the Greek welfare state mentioned above, especially the dominant role played by the central government in dispensing welfare provisions, help to illuminate some of the specific dimensions involved in the public versus the private debate as concerns the case of Greece. Discussions concerning what should be the role of the state in providing for basic welfare services and what should/can be left up to citizens is innately attached to the original notion held widely in Greece that the Greek state has a responsibility to provide (and in the past has provided) basic social services for citizens, regardless of the continually rising costs to the state, the poor level of services provided, and irrespective of the economic deficits that the state might incur in the long term as a result. The fact remains that the state has proved itself unable to utilise efficiently the substantial amount of revenue it collects from citizens and employ it effectively

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[140] *See* Press Briefing by Prime Minister Kostas Simitis before the local and international press corps at Zapeo Megaro, Athens, 29 February 1996.

[141] As has been discussed in Chapter Four of this study, the Greek bureaucracy is characterised by mismanagement, inefficiency, and wastefulness.

in providing a respectable level of services. But the problems of the welfare state in Greece (and elsewhere for that matter) cannot and should not be investigated solely by measuring the amount of social expenditure by the state. This reveals very little about state structures, their interconnectedness, historical experiences, and other factors which weigh into an explanation of the welfare state and which certainly are tied into the question of legitimacy.

Although governments throughout the past decade (both PASOK and ND) have come to reckon with the reality that the state must at least partially sell off public utilities to the private sector to make them more efficient and more importantly in keeping with EU regulations calling for increased levels of competitiveness of industries,[142] they have been unable to implement such goals in practice. Much of the hesitation on the part of both of the major political parties stems from the fear of the political cost this might have which could result in that party's loss at the polls in the next election. Pledges made to partially privatise utilities have just recently got underway but not without a great deal of protest from public workers. For example, PASOK in 1994 promised to sell off 25% of OTE -- the National Telephone Company -- to the private sector while floating stock on the Athens Sofokleos Stock Exchange. However, the government changed its mind at the last minute with a banal excuse that they were not getting the price they wanted for the OTE stock. The underlying reason, perhaps, was that the President of the Republic had to be voted in by May 1995 by the parliament otherwise a general election would have been called. Therefore, fearful of the possible political cost this would have, PASOK under Papandreou backed out of partially privatising OTE during that particularly sensitive political interval.

Under continuous protest from OTE employees, and after more than two years of discussion and deliberations, the current PASOK government under Kostas Simitis has successfully secured parliamentary approval for the flotation of 6% of OTE equity with a possible additional 2% to be placed in the private domain. Public offering began on 26 March 1996. Approximately 6% (4,014,384 out of 24,014,384) of shares issued have been made available to OTE employees and pensioners, with the remaining open to public purchase. The plan has called for initial shareholders to be given one free share for every ten (up to a total of one-

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[142]For example, the European Commission had continuously urged Greece to privatise the state-owned Hellenic and Neorion Shipyards, and in March of 1993 the Council of Ministers gave Greece an ultimatum: either privatise the shipyards or shut them down. After much ado, the shipyards were finally sold off to a private company and the Commission officially closed its investigation. *See European Report*, 1 November 1995 p. 4.

hundred free shares per shareholder), provided they keep their shares for one-and-a-half years commencing from the time OTE has entered the Athens Sofokleos Stock Exchange.[143]

Another controversial issue concerning privatisation which has arisen concerns the Hellenic Shipyards of Skaramanga (valued at some 180 billion drachmas) which the Papandreou's PASOK government considered semi-privatising (approximately 49% was to be sold to private investors while the remaining 51% was to be kept under the state's jurisdiction).[144] Plans to float another 25% of the Public Petroleum Corporation (DEP) was also on PASOK's list of things to be done but these continued to be surrounded by political controversy and indecision on the part of government. Public workers continuously objected to moves of privatisation, as fear of job losses came on to centre stage. Talks have continued between the present PASOK government under Kostas Simitis and GSEE -- (GSEE, the *General Confederation of Greek Workers and Employees*) in an attempt to alleviate fears and ward off possible objections to government plans which have in the past resulted in strikes and demonstrations.

However, for the process of privatisation to continue in Greece, as has become necessary if Greece is to meet EMU criteria which require that government deficit not exceed 3% of GDP and government debt not exceed 60% of GDP, structural changes are required including the updating of the constitution. A Greek Supreme court in two plenary sessions held on 7 and 14 March 1996 found that the dismissal of more than 5,500 ΔΕΗ workers who had served for two years was invalid and that by law these workers must be reinstated.[145] This necessitated a re-evaluation of ΔΕΗ rates since the government had not calculated the cost of paying these workers.

Nevertheless one must recall that there continues to be a formidable economic stronghold by the central government in Greece, resulting in market mechanisms not functioning as they do in other EU partners which have less direct government intervention in industry. Greece has labour market structures which need to be considered as they concern the welfare state. For example, agriculture still continues to play a vital role in the Greek economy which is heavily subsidised by the

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[143]*Athens News Agency Bulletin*, 8 March 1996.

[144]The controversy over semi-privatising the Hellenic Shipyards of Skaramanga precipitated the resignation of Kostas Simitis who then held the posts of Minister of Industry, Trade and Technology from October 1993 to September 1995. Prime Minister Andreas Papandreou thereafter conducted a cabinet reshuffle which stirred many feathers among PASOK MP's and party members alike.

[145]*See* The 1975 *Constitution of the Hellenic Republic*, Part III, Section 6, Chapter II, Article 103(4) which refers to civil servants whose " ... posts shall be permanent so long as the posts exist."

government and the EU CAP -- *Common Agricultural Policy*. The lack of heavy industry and the lack of large sized firms in Greece, the proliferation of small businesses and entrepreneurial tradesmen, and the small percentage of wage-earners have all influenced the development of the Greek welfare state. Greece's large public sector, while, on the one hand acting as a counterbalance to unemployment, has inhibited and acted as a bulwark for change which is a prerequisite for improved welfare state provisions.

These particularities of the Greek welfare state have to varying degrees swayed the tide of welfare policies. The question which now needs to be asked is: in light of governments privatisation plans, what popular response will emerge and how will this affect political and social legitimacy? As evidenced thus far, those workers directly to be affected by privatisation plans are bucking the tide, but beyond the political rhetoric there appears to be an underlying recognition that Greece's membership in the EU is necessitating her to align her economic indictors (inflation, public debt and deficit) with those established by the TEU. Thus economic synchronisation required by the EMU means a cutting down on government expenditures and more profoundly a restructuring of welfare state policies. Those adhering to the 'modernising culture' in Greece have come to reckon with this reality, while those of the 'underdog culture'[146] continue to resist these changes and this has resulted in very mixed attitudes towards EU plans affecting welfare provisions. On a larger scale, one could argue that global competition and the enhanced role of the world market have equally put pressure on nation-states today to reform and reconsider welfare state policies. Whether citizens are informed of these realities and how they come to reckon with them will no less partially affect whether or not they perceive domestic restructuring as legitimate or not. How the government in Greece will go about introducing and formulating welfare reform, and who will be involved in the decision-making process will fundamentally affect whether or not these changes will be perceived as legitimate. Conceivably, if the government continues to monopolise welfare state restructuring while keeping it at a centralised level, and does not partially concede decision-making to a second and third tier of government, then conflicts and controversy seem inevitable. A depolitisation process also needs to transpire to remove discussions of welfare from the political party level to a level of debate which will allow various actors and interests to be heard. Hence if welfare reform, including the idea of privatisation, is opened up to a

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[146]As described by P. Nikiforos Diamandouros, "Politics and Culture in Postauthoritarian Greece: An Interpretation," *op. cit.*, pp. 1-25.

larger forum and gets untangled from party politics, then it appears that political and social legitimacy can be negotiated on firmer grounds.

6.6 Conclusion

Having considered numerous facets of the welfare state debate, one can now return to the original questions asked at the beginning of this chapter whose explanations are interrelated and overlapping. Restated they are: Does the Greek welfare state by way of its structures and social programmes and policies -- such as those attempting to even out inequalities and securing a basic standard of living -- enhance social legitimacy for the system? Has Greece's retarded development of a welfare state affected (and if so to what extent) the degree of social legitimacy for the state and more generally for government?

Beginning with the first query, it has become clear based upon the preceding discussion that the Greek welfare state's present basic framework and structures are inadequate for meeting the needs of its citizens. The social programmes and policies that were devised primarily in the post-authoritarian decade (particularly after 1975) and subsequently were conceived of and implemented via the state apparatus which had not acquired the requisite level of organisation and efficiency to be able to provide an acceptable quality of social services. Hence on one level, one can conclude that due to the state's ineptness regarding its organisation of social services, and acting as a 'mechanism of stratification' in terms of social policy being produced, the state was unable to even out any inequalities found among the social strata in Greek society. The problem presently lingers on as a basic standard state policy vis-à-vis the various state subsidised insurance programmes has still not been devised. As a result this has created feelings of dissatisfaction on the part of citizens who do not perceive the state as fulfilling its obligations in providing social services to sustain a basic standard of living. A sense of failed expectations is therefore prevalent among a sizable percentage of the Greek population. That the state has fallen short of its obligations, however, does not mean that the general public is willing to have the private sector pick up what the public sector can no longer manage, and thus here lies the real enigma. A legitimacy gap has opened up between the state and citizens regarding social provisions, and it does not appear that the private sphere is perceived of as a domain which can be utilised to rescue the state.[147] A traditional mind set still prevails among the Greek people that social

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[147]It seems worth mentioning here that the EU is as well not perceived of as a replacement of the state, especially as concerns social welfare policies. As has been mentioned previously in

provisions are the responsibility of the state, and it is here where they should remain. Yet the state presently appears unable to reorganise and reform its structures and policies (which would mean a major rearranging of the present system necessitating a devolution of power to localities -- in other words, decentralisation) to meet the challenges of the next millennium. At present, worries abound as to whether Greece will be able to meet the required economic synchronisation policy which is demanded by the EU which necessitates not only a readjustment of various economic indictors, but a major overhaul of the social and economic framework of the country so as to meet these criteria. These principal transformations are needed if such ambitious goals as those laid out in the TEU are to be met. Yet the various governments which have been formed either by PASOK or New Democracy appear unwilling to risk the political fallout that could occur if such a programme of change was to be implemented.

Furthermore, the question of social legitimacy as it concerns the attenuated Greek welfare state needs to be seen in conjunction with other social structures such as the family, and civil society with its informal organisations. The Greek family structure has been traditionally indicative of strong relational ties which has often meant that family members and relatives have tended to their *own* -- οι δικοί μας -- who are unemployed, studying at university, or elderly. However, as the family structure in Greece is undergoing a transformation, a degree of family nuclearisation, as is likewise the case in other European nation-states, it seems precarious and unwise to assume that the family as a social structure will be able to continue subsidising its family members as it has done in the past. Other informal organisations such as Σύλλογοι -- clubs -- have also contributed to aiding those in need yet as the older generation passes on and the new generation of Greeks become more cosmopolitan, these organisations appear to be fading out. This also feeds into the discussion in Chapter Four of this study of civil society. As was suggested there, Greece's weak civil society and heavy reliance on state structures has hindered the development of vehicles of communication between citizens and government. It has likewise created a void between the state and citizens as this relates to the issue of social services and who is to continue to provide them. Can the state be reasonably expected to continue providing these services in light of its present inefficiency? In the absence of an agreement as to what other structures (private or voluntary) could take up social services, is a legitimacy dilemma brewing with possible unforeseen consequences? Can the Greek populace be convinced that the state cannot continue to be the locus

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Chapters One and Two in this study, EUROBAROMETER studies continue to reveal that citizens are not willing to see the EU help coordinate what are considered to be *national* responsibilities.

and repository of social welfare provisions as things now stand? Will they be willing to see the public bureaucracy shrink decisively (which will mean that jobs will be lost) and undergo vast restructuring including modernising public offices (i.e., installing computers, supplying them with other necessary technology, which will mean retraining and replacement of public workers)? The reply to these queries may possibly elucidate and reveal the level of social legitimacy felt towards the Greek welfare state presently and possibly even give clues as to what forebodes for the future, but are beyond the scope of this study.

Finally, in a world of globalisation and advanced technological development, nation-states whose structures and institutions are not fully developed and which are not functioning capably are becoming more susceptible to problems of legitimacy. As society becomes more porous, and citizens become more informed, the state's deficiencies become more glaring. This phenomenon appears in Greece, although the level of technological development has not reached that of her northern EU partners. Be that as it may, Greek citizens are now beginning to connect to international information centres and are becoming much more exposed to advancements and new innovations which are shaping their views of government and the state. Greece's membership in the EU, as has been touched upon throughout this study, has influenced Greek society decisively and as more EU member citizenry travel to Greece and likewise as more Greeks travel and work (and attend universities) in EU member states, attitudes and impressions of state structures and how they should function are dramatically altering. This inevitable comparison of state operations and functions can cultivate dissatisfaction among citizens as to their own state's dysfunction, which is what is occurring in Greece today. The notion of the Greek state as a welfare state is thus undergoing a transformation in the minds of Greeks today who are re-evaluating what they now expect from their *modern western state* that claims to share with its northern European Union neighbours a common vision of the future. If the social, political, and economic goals as defined in the TEU are to become a reality in Greece, then the Greek state has a major task ahead in reforming its state structures and suitably modifying the political culture of the country to enable such changes to take place. It remains to be seen as to which Greek government will be able to implement such a necessary metamorphosis. The one thing that seems certain is that an understanding of the question of legitimacy will help facilitate the ways in which such vital changes should occur.

Chapter Seven

THE GREEK ECONOMIC ENVIRONMENT

7.1 Introduction

Perhaps more than any other dimension of legitimacy discussed thus far in this study, the topic of economic growth and development is that one which quantitatively reveals how Greece has been affected by exogenous actors and forces. Of all the areas of state policy-making, Greek fiscal and monetary policy, particularly in the post-TEU era, has been steered and directed towards meeting the criteria for European Union monetary convergence. Much of the discussion here concerning the Greek economic environment will thus be directed at exploring the ways that Greece has attempted to meet the challenges laid out at Maastricht and the successes and failures of these attempts as they reveal clues to the issue of political and social legitimacy.

What needs to be made clear at the start is that no direct correlation should (or in this study will) be made between higher and sustained levels of economic growth and a higher and sustained level of legitimacy. Certainly economic efficacy -- and how citizens perceive this -- is a factor that needs to be considered when examining the level of legitimacy felt towards a particular government and a political system. Nevertheless one must be cautious and not fall into the trap of creating the equation *economic performance and efficiency equals political and social legitimacy for the system.* Such an equation oversimplifies the complexity of the issue of economics and legitimacy, and this chapter will attempt to elucidate the various facets (socio-cultural and other) involved in economic growth and development as they pertain to the question of legitimacy as has been defined in this study.[148]

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[148]When discussing the Greek dictatorship of 1967-1974 in Greece, Nancy Bermeo accurately emphasises the point made here of being cautious about drawing conclusions about economic performance and legitimacy. When remarking about the Colonels regime she has made an important observation: "It is instructive to note that the regime's extremely low level of popular support coexisted with a relatively good economic performance. ... The Greek case suggests that though money can probably buy votes, legitimacy is harder to come by."

Later in her essay, she suggests that "[t]o understand why the colonels failed to legitimate their rule or to achieve even a temporary sense of regime consolidation, we must turn away from the measures and language of political economy. We must turn instead to the historical study of political institutions and to the extraordinarily difficult study of political culture." *See* Nancy Bermeo, "Classification and Consolidation: Some Lessons From the Greek Dictatorship," *Political Science Quarterly*, Vol. 110, No. 3, Fall 1995, pp. 435-452.

It might also be noted that the Colonels were not at all interested in broad based economic prosperity, as OECD Economic Surveys of the period indicate. Prosperity was delivered to very few, as such things as taxes, for example, were very regressive.

There also prevails a notion within much of the popular literature written on Greece's support for European integration that as long as Greece continues to receive a sizable amount of financial assistance from the EU, Greek citizens and governments will continue to wholeheartedly support the EU integrative process. Although there certainly appears to be some evidence to sustain this assumption, one should be cautious in presupposing that as long as Greece continues to receive funds from the EU, she will steadfastly support Europe's integrative process and accept its decisions as a *fait accompli.* EUROBAROMETER surveys (as discussed previously in this study) as well as a variety of other sources[149] reveal that Greek citizens, as detectable particularly during the past six years (1989-1995), continue to increasingly show disapproval of their politician's actions and this extends to decision-makers in Brussels and Strasbourg as well. The February 1996 protests by Greek milk farmers organised by PASAGES, the Panhellenic Confederation of Agricultural Cooperatives, have included as part of their demands that the Greek government request from the EU an immediate increase of 150,000 tonnes of Greece's quota for cow's milk as well as measures for the reduction in the cost of production for milk. Prime Minister Kostas Simitis has attempted to make plain that a reduction in the cost of production for milk is prohibited by Community law, and that an increase in the milk quota by 125,000 tonnes would be sought this year (in 1996).[150] Such examples reveal that it would perhaps be wise to seek beyond the rather simplistic notion that money can continue to be the sole (or most outstanding) factor which underlies Greek support for the *European project.* In any event, it is clear that there will not be a *Third* Community Support Framework for Greece, and although structural funds will continue to be dispensed to Greece and other lesser developed EU members, there is a finite amount of funding which can be dispersed to EU members in need of economic assistance. In light of this reality, it is even more ill-considered to assume that once the money stops coming from EU coffers, so will the support for all its endeavors. It is worth reiterating here likewise that Greece's initial decision to enter the Community was a political one, with economic concerns considered secondary.

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[149]*See* the International Research Associates fiftieth anniversary survey entitled "Europeans: Citizens of the World, Consumers of the World," which questioned some 18,000 people in twenty-one European countries about a range of issues. One of the findings of the survey was that Greeks are among the citizenry of Europe who are the most worried about their country's future and show disapproval of their politician's decisions and actions. *See* Birna Helgadottir, "Survey Gives Politicians *Nul* Points," *European*, 25 Oct.-1 Nov. 1995.

[150]It should be recalled, however, that Greece has sought such increases for milk quotas in the past, and unfortunately they were unsuccessful. In 1995 Greece sought an increase in an additional 125,000 tonnes of milk from the EU which "could not be accepted for economic and political reasons." *See European Bulletin of the European Union,* (4/1994), 1.3.113, p. 44.

Another point which should be mentioned at the start is that the economic domain is one indicative of rapid and often unpredictable change. In today's evolving and fluctuating global market it has become nearly impossible to foreshadow what bodes for the future in any definitive way. One can only speculate as to the possible path that lies ahead concerning the economic life of any one country. Equally conjectural for EU member nation-states is the ambiguity surrounding European Monetary Union and the outcome of such an ambitious economic endeavor as has been emphasised in Chapters Two and Three of this study. This leads to another set of possible economic scenarios which are even more difficult to fathom at present.

With these precautions in mind, this chapter sets out to explore the realm of economics as a dimension involved in political and social legitimacy. By taking the case of Greece, a country which has been labeled the 'poorest' among the fifteen present members,[151] the intention is to elucidate the particulars of the economic domain as they feed into the issue of legitimacy. The first part of this chapter steps back into the decade of the 1980's to get a glimpse as to what transpired within the economic environment and the legacy of the PASOK era from 1981-1989. Next, EU convergence criteria are reviewed and Greece's particular economic circumstances are discussed concisely in light of this macroeconomic forecast. The First and Second Community Frameworks are likewise briefly considered. Lastly, some mention is made of the role of the underground economy in Greece and how this affects political and social legitimacy. Several concluding remarks follow at the end of the chapter.

7.2 A Brief Look Back at the 1980's

Before discussing Greece's economic environment and prospects for the 1990's, it seems pertinent to precede such a discussion with a very brief -- and by no means comprehensive -- explanation of what occurred in the previous decade, the 1980's. This is particularly integral for understanding Greece's present economic situation, and thus aids one in grasping what Greece's inherited economic dilemmas from the previous decade are.[152] This may also assist in bringing to light how the PASOK movement was very much a populist movement (or as some have remarked a

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[151]*See* (in Greek), "Η Ελλάδα Παραμένει η Φτωχότερη των '15'," ΤΟ ΒΗΜΑ, 29 Ιανουαρίου, 1995.

[152]Stavros B. Thomadakis and Dimitris B. Seremetis have produced a comprehensive analysis of fiscal structures and management during the era of PASOK in the 1980's which partially addresses the issue of legitimacy as well. *See* Stavros B. Thomadakis and Dimitris B. Seremetis, "Fiscal Management, Social Agenda, and Structural Deficits," In *The Greek Socialist Experiment*, Theodore C. Kariotis, ed., (NY: Pella Pub. Co.) 1992, pp. 203-255.

'pseudopopulist' movement)[153] and one that left an indelible mark on the social make-up of the post-authoritarian era in Greece.

To be concise and summary, the PASOK era from 1981-1989 began as one that promised to bring in profound structural development to the country and pledged to modernise Greek society and its economy.[154] Andreas Papandreou's PASOK party was voted into office on a powerful populist mandate in 1981. In his initial one-hundred day programme, Papandreou and his cabinet were to begin an unprecedented metamorphosis of the socio-economic institutions of the country and bring in at last αλλαγή -- change. However, as James Petras, et. al. have accurately remarked: "The economic structures that Andreas Papandreou decided to prop up and legitimise during the first three months of his term in office were those of a capitalism lacking technological innovators and heavily dependent on state subsidies and overseas capital."[155]

The first three years in office revealed that PASOK had accomplished very little if anything in the way of restructuring the economy and society.[156] In fact the inflationary policies that were pursued by the central government as well as the hiring of thousands of public workers into the central government resulted in a fiscal crisis for the state and further expanded a bureaucracy that was already overbloated and inefficient. No stabilisation programme for the economy had been implemented as was originally promised, nor did it appear that decentralisation and worker management schemes that were to be initiated would materialise. Instead, inflation hit 20% in 1983 and the infrastructures of the state went unchanged while tax evasion and economic inequalities flourished. Greece found herself politically and economically isolated from her European partners with a mammoth public debt

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[153]For example, *see* James Petras, "The Contradictions of Greek Socialism," In *The Greek Socialist Experiment, op. cit.*, pp. 97-126.

[154]*See* Michalis Spourdalakis, *The Rise of the Greek Socialist Party*, (London/NY: Routledge) 1988, for an analysis of why PASOK failed to live up to its political and social promises. For a very recent overview of the PASOK era under Andreas Papandreou from 1981-89, *see* Susannah Verney, "The Greek Socialists," In *Political Parties and the European Union*, John Gaffney, ed., (London and New York: Routledge) 1996, pp. 170-188.

[155]James Petras, ed. et. al., "Greek Socialism: The Patrimonial State Revisited," In *Mediterranean Paradoxes*, James Kurth and James Petras, eds., (Providence, Rhode Island: Berg Publishers) 1993, p. 169. This is one of the most comprehensive and accurate assessments of the PASOK era and why it failed to achieve its outlined economic and social goals.

[156]*See* Christos Lyrintzis, "PASOK in Power: From 'Change' to Disenchantment," pp. 26-46, and George Th. Mavrogordatos, "Civil Society Under Populism," pp. 47-64, In *Greece 1981-89: The Populist Decade*, Richard Clogg, ed., (NY: St. Martin's Press) 1993. These two essays assess PASOK's populist tenure in office and its affects on Greek civil society.

which necessitated an increase in public sector borrowing requirements,[157] a growth in GDP of 0.39% and rising unemployment. Worse still, PASOK proliferated traditional clientelist practices and the patrimonial nature of the state while cultivating a false impression among the *nouveaux riches* that the state would foot the bill for massive consumerism and thus an unprecedented overexpansion of fiscal finances occurred.[158]

It seems worth remarking here as well that one of the major ironies of the Greek party system (and the ability of party leaders to breed a form of unhealthy populism) is revealed in the fact that PASOK as a party experienced unprecedented popular support in its first term in office, a time when the economy of the country was falling into disarray and Greece's economic indicators were continuously implying that the country was heading for a major fiscal crisis. However, since public spoils were being apportioned out to loyal party cadres, and thus portions of the population were being economically satiated, no one seemed to be willing to confront the realisation that the state coffers were going bankrupt and that an enormous public debt was accumulating.

Most observers agree that by 1985 Greece had reached a critical economic juncture and in its second term in office PASOK proposed a new stabilisation programme which basically introduced austerity measures to consolidate the public debt and to bring down inflation. This shift in economic policy got the support of the EC Commission,[159] but it was clearly a move away from PASOK's so-called 'socialist' populist policies on which it had been voted into power. PASOK had been continuously warned by the Community to abandon its protectionist policies which primarily took the form of restrictions on imports in its first term in office, and once the Single European Act was enacted in 1986, PASOK had no choice but to abide by the rules regarding "the liberalization of capital movements."[160] As the 1989 national elections crept closer, however, PASOK retreated from its stabilisation programme for fear of the political cost this would have. In short, by the end of its

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[157]As Antigone Lyberaki points out, Greek public sector borrowing requirements shot up from 11% of GDP in 1981 to 18.4% in 1989. And this was occurring at the same time that a mismatch between production and consumption was transpiring. *See* Antigone Lyberaki, "Greece-EC Comparative Economic Performance: Convergence or Divergence?" In *Greece, the New Europe, and the Changing International Order*, Harry J. Psomiades and Stavros B. Thomadakis eds., (NY: Pella Publishing Co., Inc.) 1993, pp. 179-216.

[158]James Petras ed. et al., *op. cit.*, pp. 174-175.

[159]Greece received from the Commission a loan to implement its stabilisation programme of approximately 1.7 billion ecu.

[160]*Single European Act*, Title II Provisions Amending the Treaties Establishing the European Communities, Section II, Subsection I -- Internal Market, Article 16.

second term in office, PASOK had reversed what gains had been made by the stabilisation programme of 1986-87 and as it perceived its position in power waning. began employing patronage tactics to try to hold on it its crumbling popularity.

In summary, the PASOK era had a devastating affect on the macroeconomic life of the country which experienced one of the worst economic records of all member states in the decade of the 1980's.[161] Greece drifted economically further away from her Community partners and her dismal economic performance increasingly and adversely affected her relationship with Community authorities who looked upon Greece as that country which could jeopardise plans for the completion of the internal market. The legacy of the PASOK era resulted in a huge public debt and other deep-seated macroeconomic (structural as well as social) predicaments. It is thus with this background in mind that one needs to examine the economic environment which prevails in the 1990's. What transpired in the 1980's likewise helps to explain the difficulties in succeeding governments to implement an economic plan which has included much tighter control of public monies and a consolidation of state intervention in the economy. The attitude that the PASOK government buttressed during its tenure in power was that money would continue to gush from the public bankrolls to loyal acolytes in return for their political support. This irresponsible use of public funds and the proliferation of clientelist practices perpetuated traditional customary habits and augmented Greece's distance from the process of modernisation.

7.3 EU Convergence Criteria: What Hides Behind the Numbers

One of the main challenges facing the Greek economy (and the other EU member nation-states as well) in the post-TEU era is that of attempting to meet the necessary requirements for EU economic convergence.[162] Whether or not Greece will be able to satisfy these prerequisites largely depends upon how determined Greek governments are in the 1990's to outline a stern economic programme and enforce it despite resistance which is emerging from that portion of the Greek population which feels that it will be most detrimentally affected. Greece at present is not a

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[161] *See* statistics compiled by the Greek Ministry of the National Economy, (in Greek) *Προσωρινοί Εθνικοί Λογαριασμοί της Ελλάδας*, (Αθήνα: Μαϊος) 1987.

[162] *See* the plethora of articles in the press concerning this issue including Kerin Hope, "On Course for Convergence," *Financial Times*, 14 November 1995, p. III. *See* likewise the discussion in Chapter Three in this study, 3.5.

member of the EMS (European Monetary System), although there is mounting pressure from EU authorities that she become one.[163]

To refresh the reader's memory,[164] and to facilitate a discussion in this chapter of whether Greece can meet the requirements of EU economic synchronisation and if not what the consequences might be, the four main criteria as outlined by the Maastricht agreement for economic convergence are: (1) government debt not exceeding 60% of GDP; (2) government deficit not exceeding 3% of GDP; (3) inflation rate not more than 1.5% above the average of the three members with the lowest rates; and (4) exchange rate stability based upon the performance of the member state currency over a period of two years prior to the final assessment. The final stage of European Monetary Union (EMU), the preparation of which is presently taking place, is scheduled to begin in 1999.[165] However, to reiterate, at present there remains disagreement as to whether these target dates can be met, and discussions continue concerning the pros and cons of monetary union and various predictions can be found in the press and in the relevant literature discussing the future course and timetable for the EMU. The most controversial issue continues to be the viability of developing a single European currency and opinions abound as to how, when, and if such a goal is desirable and/or feasible given the diverse economic backgrounds and uneven levels of development of EU member nation-states.

	1992	1993	1994	1995	1996	1997	1998
Real GDP growth %	1.5%	2.0%	3.0%	3.5%	4.0%	4.0%	4.0%
Inflation %	15.3%	12.6%	7.5%	6.0%	4.5%	4.4%	4.0%
Current account balance	-2.6	-2.1	-1.8	-1.4	-0.7	-0.2	0.5
General gov't balance	-14	-10	-7	-4.4	-1.6	-0.8	-0.2
Primary balance	0.6	5	6.7	7.6	8	8.2	8.1
General gov't debt	109	108	105	101	94.3	87.5	80.6

TABLE 7.1 Greece's Economic Plan (1992-1998)[166]

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[163]*See* George S. Alogoskoufis, "Greece and European Monetary Unification," pp. 163-178 and Lucas Papademos "European Monetary Union and Greek Economic Policy," pp. 125-162, In *Greece, the New Europe, and the Changing International Order*, *op. cit.*, which discuss the pros and cons of Greece participating in the ERM.

[164]Note 89 in Chapter Two of this study first mentions these four economic criteria found in the *Protocol on the Excessive Deficit Procedure*, Article 1, and *Protocol On the Convergence Criteria Referred to in Article 109j of the Treaty Establishing the European Community*, Article 1 and Article 3, annexed to the Treaty on European Union.

[165]The 1997 date has since been dismissed as unfeasible.

[166]Table taken from Panos Kazakos, "Introduction," *Greece and EC Membership Evaluated*, Panos Kazakos & P.C. Ioakimidis, eds., (NY: St. Martin's Press), 1994, p. 22 whose source is the IMF. For more precise data concerning economic indicators for Greece, *see IMF: International Financial Statistics*, September 1995, pp. 264-267.

Table 7.1 outlines an economic plan that was first considered to be an attainable economic set of fiscal goals for the Greek economy. However, this was a very ambitious fiscal projection and thus it goes without saying that none of the targets set out for the first two-year period, 1992-1994, were even marginally met. In the second quarter of 1994, the Greek Ministry of the National Economy came out with a new, revised Convergence Programme for 1994-1999 (Table 7.2). The targets for this programme, although likewise ambitious, appear to be far more attainable if a strident implementation of fiscal policies is carried out. Table 7.2 represents the amended Convergence Programme (that has met the approval of EU authorities) which has become the basic guideline for Greece's national budget until 1999. It is worth noting that this revised convergence plan was formulated under a PASOK government which again attained power under the leadership of Andreas Papandreou in October 1993.

	1994	**1995**	**1996**	**1997**	**1998**	**1999**
Annual growth rates						
GDP market prices	1.1	1.2	1.7	2.6	3	3.5
Fixed investment, total						
Public investment	6	8	9.5	11	12	14
Private investment	2.5	0.9	3.5	6.8	8.4	10.1
Private consumption deflator	10.8	7.9	6.1	3.9	3.5	3.3
Short-term interest rate	18.5	14.1	10.6	7.9	6.8	6.2
Per cent of GDP						
General gov't						
Net borrowing	13.2	10.7	7.6	4.2	2.4	0.9
Primary surplus	1.3	3.5	4.9	5.1	5.4	6.1
Debt	112	115	115	113	109	103

TABLE 7.2 The Greek Convergence Programme 1994-99[167]

The most obvious question that arises is: what happens if these actual targets are not achieved? Much obviously depends upon how strict (and determined) the government is on meeting its objectives, and what form of elasticity has been built into these indicators so as to allow for some inevitable slippage.[168] However, it is generally recognised that there is very little room for maneuvering, and this means

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[167] *OECD Economic Surveys*, February 1995, p. 26.

[168] For example, National Economy Minister Yiannos Papantoniou in March 1996 announced that Greece will still aim for an inflation target of 5% by the end of 1996, even though February and March saw an increase in current inflation rates. *Athens News Agency Bulletin*, March 1996.

that the macroeconomic plan must be adhered to tightly.[169] There can be no doubt that if Greece does not stick to the plan, unforeseeable consequences can evolve which could jeopardise Greece's economic position within the EU (i.e., the money she receives from the EU via a variety of funding programmes). As the OECD report for 1995 has succinctly stated, "... there is not really any other solution if Greece is to continue along the path towards integration and play a full part in the construction of Europe."[170]

One of the most pressing dilemmas for the Greek economy is that it is saddled with a huge public debt (approximately 117% of GDP[171]) which appears to be self-generating, as governments' prodigal spending, although being curtailed somewhat recently, still goes on unabated. However, the more serious problem is not that the government continues to pursue policies of fiscal overexpansion but that revenues collected by the state are not being productively utilised. In other words, Greece has not been able to develop an appropriate fiscal management programme and successfully stick to it. This reality has been driven home by the European Commission but also by the OECD[172] which has made similar observations. The public sector also has still not been able to organise and synchronise its operations. Additionally, Greece's loss of fiscal reputation in domestic and international markets in the past sixteen years has affected private investment in the country, both from indigenous private investors and prospective ones from abroad. As Stavros B. Thomadakis has bluntly put it: "... the erosion of fiscal reputation undermines the effectiveness of economic policies."[173] That private investment in Greece has been detrimentally affected by the inefficiency of the public sector is perhaps the more serious problem, as often rules are rather arbitrarily applied. These types of practices can certainly inhibit private investment in the country which in turn can affect the growth of the Greek economy in years to come. These practices likewise dilute citizens' sense of political legitimacy for state actions.

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[169] *See* statements made to the press by Prime Minister Kostas Simitis after a meeting concerning the Greek economy which stressed the point that there must not be deviations from the convergence programme as outlined, 20 April 1996.

[170] *OECD Economic Surveys*, February 1995, p. 67.

[171] *Ibid.*

[172] *See OECD Economic Surveys*, 1992, particularly "III. The Changing Role of Government and Structural Reforms," pp. 55-75.

[173] Stavros B. Thomadakis, "European Economic Integration, the Greek State, and the Challenges of the 1990s," In *Greece, the New Europe, and the Changing International Order*, *op. cit.*, pp. 364-365.

An additional obstacle that has to be confronted by Greek governments is that Greece has continued to borrow money (in the form of loans) from abroad to be paid back with swollen interest rates. Greece receives a sizable amount of money from the EU in the form of net transfer payments and grants, and through a variety of programme schemes (for example, through the Integrated Mediterranean Programmes and through agricultural subsidies via the Common Agricultural Programme -- CAP) as well as through the Community Support Framework programmes (which will be taken up in the proceeding discussion).[174] However, even though an appreciable influx of money is derived from the EU, Greece continues to borrow money from elsewhere, and as Panos Kazakos has noted, this has been sizable. He writes that: "[t]hrough further borrowing from abroad, Greece accumulated debts reaching nearly 120 per cent of GDP (1992), producing considerable debt-servicing costs."[175]

The economic indicators likewise reveal that Greece's level of productivity continues to be low.[176] However, as positive figures are now being recorded (Greece was registering negative productivity growth in the decade of the 1980's[177]) this is an indication that the Greek economy is beginning to show signs of growth. Nevertheless, Greece has experienced the highest inflation rate among EU member nation-states. For approximately fifteen years, Greece had a double digit inflation rate averaging around 18%, and it was only in 1994 that inflation decreased to 10.9%. More specifically, in September 1995 inflation dropped to 8.4%, after falling in the summer of 1995 to a single digit for the first time in twenty-three years. Projections for the end of 1996 forecast inflation to further decrease (to 7.3% by the end of 1996 and then to 4.7% by the end of 1997),[178] although recent commentaries in the Greek press and in the mass media suggest that the latter figure may be a bit too optimistic. Nevertheless, even with inflation rates having considerably

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[174]Despite the influx of money from the EU, Greece has still not been able to sustain growth rates and increase substantially investments in the country. T. Georgakopoulos explains this in the following statement: "Although budgetary transfers to Greece have indeed been considerable, their impact on the economy was probably less pronounced since they mostly constituted consumption resources which, of course, increased consumers' welfare and loosened the country's balance of payments constraint, but contributed much less to investment and growth." T. Georgakopoulos, "Fiscal Policy," In *Greece and EC Membership Evaluated, op. cit.*, p. 24.

[175]Panos Kazakos, "Introduction," *Greece and EC Membership Evaluated, op. cit.* p. 16.

[176]*See Eurostat*, (Luxembourg: Office for Official Publications of the European Communities) for comparisons among EU members.

[177]*See World Tables 1995*, Published for the World Bank, (Baltimore/London: The John Hopkins University Press) 1995, pp. 308-311.

[178]*See* (in Greek) Υπουργείο Εθνικής Οικονομίας, *Τρέχουσες Εξελίξεις και Προοπτικές στην Ελληνική και τη Διεθνή Οικονομία*, (Αθήνα: Απρίλιος) 1996.

decreased in 1995 and 1996, "... inflation would [still] remain more than twice as high as the European Union average."[179]

The unemployment rate in Greece in 1995 registered roughly 10%;[180] this figure, however, disguises massive underemployment. The question of unemployment in Greece has to be understood in relation to the regional disparities of the country and the patriarchal nature of society. Today in Greece there are still more women unemployed than men although more women joined the workforce in the decade of the 1980's, particularly in the professions,[181] and continue to do so today, and unemployment rates in the two major cities, Athens and Thessaloniki, are far higher than they are in the outlying areas. However, one must likewise take note of the demographics of the country and consider that a great majority of the Greek population is confined to the two major cities. The EU European Social Fund (ESF) has provided Greece with funds for developing training schemes for the young (for those under 25 such as the 'Youthstart' programme) and for the unemployed. Likewise money has been provided through the ESF for the training of civil servants and for employees from the public sector. These programmes have had mixed success and have met up with obstacles found within the very nature of the Greek labour market as mentioned in the previous chapter of this study (i.e., a large percentage of self-employed, few large firms involved in industry, and so on).

Of the positive achievements attained during the past fourteen years has been the governments attempts to successfully reform the financial markets. Under severe pressure by the EU to liberalise its economic environment, Greece was forced to reform its financial markets. As the OECD report for 1995 remarked: "... the authorities embarked resolutely along the path of reform as of 1987. Interest rates were decontrolled and banks' investment ratios abolished, controls on capital movements were removed and most of the regulations restricting financial institutions activities were lifted."[182] Greece's bond market, although still underdeveloped, is another indication that the drachma is beginning to stabilise.[183] The creation of the Athens Sofokleos stock exchange and the initiation of a stock exchange in the northern city of Thessaloniki to begin on a trial basis in April 1996

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[179] *OECD Economic Surveys*, February, 1995, p. 16.

[180] Υπουργείο Εθνικής Οικονομίας, *Τρέχουσες Εξελίξεις και Προοπικές στην Ελληνική και τη Διεθνή Οικονομία*, *op. cit.*, σ. 7.

[181] *See* Nota Kyriazis, "Feminism and the Status of Women in Greece," In *Greece Prepares for the Twenty-first Century*, Dimitri Constas & Theofanis G. Stavrou eds., (Baltimore and London: The John Hopkins University Press), 1995, esp. pp. 286-289.

[182] *OECD Economic Surveys* February, 1995, p. 66.

[183] *See* "Greece's Fixed-Rate Placing Well Received," *Financial Times*, 23 Oct. 1995 p. 26.

is yet another sign that Greece has made some strides towards building up its financial structures. However, even though substantial progress has been made in this direction, state intervention in market mechanisms still continues and much structural and social attitudinal change needs to take place before Greece can attempt to keep apace of EU economic synchronisation and claim that it has 'liberalised' its economic sphere.[184]

Seen on a wider angle, and for our purposes here, the question of whether or not the Greek economy can adjust and redress its imbalances has potentially far-reaching consequences which affect the notions of social and political legitimacy, and this goes beyond the particular government that happens to be in power at the time. The decade of the 1990's has thus far revealed that both of the major parties in Greece today that have been able to form a government, New Democracy and PASOK, have had to construct a macroeconomic plan leading to EU economic synchronisation. This has meant that no matter which party forms a government, Greece will be judged on how well it can meet these economic criteria, what structural changes will take place to facilitate such an economic plan, and what will this mean for the population who will be experiencing the pushes and pulls required for the successful implementation of such a plan. In other words, the degree of social and political legitimacy felt for Greek governments' ability to economically catch up with the rest of its EU partners rests on a number of things: (a) whether Greek governments in the 1990's can effectively steer the economy towards convergence, (b) what structural changes will take place to allow this to happen; and (c) what will citizens have to bear in the way of tax hikes, higher telephone, electricity, and transportation costs, and more generally a spiraling cost of living while figuring a way to make these politically and socially acceptable. That a larger chunk of one's salary is being taken out for health care costs (for the National Health Care plan -- IKA, for example) has already been mentioned briefly in the previous chapter of this study. In light of the reality that the cost of utilities continue to increase while plans of privatisation are slow to be implemented as service continues to be uneven and unpredictable; recognising that the welfare system is unable to provide basic services for needy citizens and the elderly, this coupled with austerity measures that are required to meet the above stated budget -- all these paint a bleak picture indeed. Protests and objections to austerity measures and plans of semi-privatising national utilities and industries are part of the present political climate. However, there is also a

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184"... the full effect of the reforms will not be felt unless market participants adjust their behaviour and in particular, the role of government, both as a user and as manager, is reduced." *OECD Economic Surveys*, February 1995, p. 66.

recognition among a sizable portion of the population that realises that 'Greece is once again at a crossroads' and that if she wants to follow her EU partners and not be left behind she must readjust and realign her economy and get in synchrony with other EU members. To many the convergence programme is perceived to be Greece's last chance to redress lingering macroeconomic imbalances and decisively get on course with other EU partners.

There are those who accept that the path towards EMU is fraught with difficulties and that there are sacrifices that must be made to ensure a healthy macroeconomic life for the country in the future. Yet likewise there are those who refuse to accept change and stubbornly cling to their ideals and their vision for the country which may not be in keeping with the realities of a global economic market and the challenges that this poses for any one country. The question of legitimacy as concerns the economic environment must thus consider these socio-cultural features of legitimacy in its investigation of such a phenomenon.

A glance at Greek public opinion from 1994 to 1995 towards issues surrounding European Monetary Union such as that of a single currency and the creation of a European Central Bank reveal that an overwhelming number of Greek citizens who were asked appear to be pro-EMU. Table 7.3 records Greek public opinion towards issues concerning the EMU such as that of a single currency and a European Central Bank. Nevertheless Greek public opinion clearly does not favour a 'two-tier' or a 'two-speed' Europe. Greeks are very weary of the possibility of being relegated to a secondary status within the Union, as are other member states who appear distanced from EMU criteria. Likewise, as with other EUROBAROMETER surveys utilised, one must be cautious as to the conclusions that are drawn from these surveys, as underlying factors such as *why* Greeks favour the formation of such economic institutions, how well informed Greeks are as to how these economic institutions will operate as well as what their influence on the Greek economy are, are not considered within the surveys.

YEAR	Single Currency	Euro-Central Bank
July 1994	65% 'for' 21% 'against'	69% 'for' 13% 'against'
Spring 1995	69% 'for' 18% 'against'	75% 'for' 11% 'against'
Autumn 1995	67% 'for' 19% 'against'	76% 'for' 8% 'against'

Table 7.3 Greek Public Opinion Towards Issues Concerning the EMU[185]

[185]EUROBAROMETER Surveys, #41 July 1994, #42 Spring 1995, and #43 Autumn 1995.

Additionally, what must be taken into consideration are the First and Second Community Support Framework (CSF) programmes for Greece, the former spanning the years 1989-93, the latter from 1994-99. Both CSFs were allotted to Greece by the EU as a means to redress Greece's economic distance from her EU partners with the intention of primarily steering funds towards projects to enhance the structural and institutional development of the country. The primary objective of the CSFs have been to facilitate an expansion of Greece's economy and to help create the necessary infrastructures of the state. The four main goals of the programmes as cited by the EU are: "(i) the construction of basic infrastructures; (ii) the development of human resources; (iii) the competitiveness of the economic fabric; [and] (iv) the reduction of regional disparities."[186] The European Commission has noted likewise that Greece has not utilised the potential workforce of the country, and has emphasised that the unequal distribution of services and the huge gap that has developed between the two main cities on the mainland -- Athens and Thessaloniki -- and the rest of the country need to be bridged. As was mentioned previously, Greece has experienced difficulties in absorbing CSF funds appropriately and in fully exploiting them for the purposes for which they were intended. The EU's macroeconomic appraisal of the first CSF noted such difficulties,[187] as have subsequent reports.[188]

The success or failure of Greece to utilise these funds soundly, however, likewise reveals part of the dilemma inherent in the structures of the Greek state itself. The state's inability to fully appropriate EU funds from the CSFs has occurred because of the very reason that they were established in the first place: the Greek state lacks the necessary structures and institutions to propitiously apply the funds. As the European Commission has appropriately noted regarding the period 1989-93: "[s]tructural inefficiencies and an unstable macroeconomic environment have been the main impediments to higher growth and employment in Greece."[189] Promoting adequate levels of investment on the one hand while attempting to concomitantly cultivate a sense of professionalism and a modern business ethic on the other has been an arduous and uphill task. Persistent attitudes and traditional patterns of behaviour stand in the way of structural change, and in many ways are more

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[186]European Commission, *Greece, Community Support Framework 1994-99.* (Luxembourg: Office for Official Publications of the European Communities) 1995, p. 19.

[187]*Ibid.*

[188]*See* remarks made by Ernesto Laniaburu, General Director of the Commission's 16th General Department and head of a Commission delegation to oversee the Second CSF, on his visit to Athens on 1 March 1996. *Athens News Agency Bulletin,* 3 March 1996.

[189]European Commission, *Greece, Community Support Framework 1994-99, op. cit.* p. 19.

impervious to the modernisation process which Greece is now attempting to undergo. Hence the successful implementation of the Second Support Framework rests upon the governments ability to allocate EU funds in the most suitable way as well as encouraging and providing the fertile environment for the development of independent social and institutional organs to support such projects which can possibly assist in ushering in modern patterns of behaviour. The difficulties with absorbing funds from the CSFs thus reveals the fact that problems which arise in the economic arena in Greece are innately wrapped up with political and social issues which cannot be separated out from such a discussion. Put differently, Greece is clearly a case where economic dilemmas are inseparable from political and social dilemmas.

7.4 The Underground Economy

One of the features that has been identified within the Greek economic environment as inhibiting economic growth while perpetuating illegal activities is that of the underground economy, referred to as well as the 'hidden' or 'black' economy.[190] What one witnesses in Greece is massive and widespread tax evasion, among self-employed professionals, retail-trade entrepreneurs, handicraft enterprises and retail shops alike. Members from all social strata, in other words, partake in tax evasion. This has meant that the state has been unable to effectively develop and implement a tax policy that would curtail tax evasion. There are some (like Stavros Thomadakis) who believe that this has occurred because governments have not kept in tune with changes that have transpired within Greek society affecting the economy, such as the rise of the self-employed in urban areas.[191] Thomadakis has remarked that: "... a chronic decline in the ability to impose and collect taxes undermines the fiscal and financial legitimacy of the state; ... it damages its ability to undertake economic actions and to use those actions as a tool for macroeconomic management."[192] Thomadakis goes on to remark on another very significant consequence of the state's inability to control tax evasion, mainly that "... the effectiveness of tax law implementation is a signal of how effective the state is as a regulator."[193] In

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[190]J.I. Gershuny and R.E. Pahl have described the underground, hidden or black economy as "production, wholly or partly for money or barter, which should be declared to some official taxation or regulatory authority, but which is wholly or partly concealed." J.I. Gershuny and R.E. Pahl, "Britain in the Decade of the Three Economies," In *The Experience of Work*, ed. by C.R. Littler (UK: Gower) 1985, p. 248.

[191]Stavros B. Thomadakis, "European Economic Integration, the Greek State, and the Challenges of the 1990s," In *Greece, the New Europe, and the Changing International Order*, *op. cit.*, p. 365.

[192]*Ibid.*, p. 366.

[193]*Ibid.*

practical terms this means that the state's inability to formulate and enforce its tax laws has led to the continuation of economic inequalities and unjust practices which directly feeds into the issue of legitimacy. Those who are law abiding, and in effect carry the burden of tax paying, become resentful of those who manage to cunningly dodge and inexcusably elude the law. More importantly, the state is perceived of as being inept in compelling observance of its own laws, and this potentially can lead to a disturbing level of distrust of the state on the part of citizens.

Although the PASOK government promised to crack down on tax evaders when in power in the 1980's, it has only been since 1990 that Greek governments have attempted to substantially reorganise the income tax system and pass a series of reforms concerning tax laws. Most recently (in 1995) a property tax law was implemented establishing that one must declare their property (private home and/or other land) on their annual income taxes and for the first time agriculturists and small farm owners are also being required to declare their properties.[194] Official receipts must be given to customers from retail and wholesale shops from an automated register (hand written receipts are no longer valid). Despite these attempts to monitor individual income more efficiently, the Greek income tax system remains unequitable and tax evasion continues to be widespread. Those who can be classified as professionals (particularly doctors and other medical professionals as well as those practicing law) often do not produce a receipt for services rendered or dispense receipts for less than the amount which they actually charge. As it is very difficult to monitor such practices, more often than not these private practicing professionals get by without declaring all their income.

Greece has likewise experienced difficulties in introducing and implementing the value-added tax (VAT, known in Greek as ΦΠΑ) which was first introduced in the 1986 budget and applied in 1987. Initially there remained disagreements and discrepancies as to what the rates should be. As T. Georgakopoulos mentions:

> The tax was initially introduced at three rates: a low rate of 6 per cent on food and some other necessities, a large number of raw materials and on most services, all of which comprised more than 50 per cent of total consumers' expenditure; a high rate of 35 per cent on certain luxury products, covering less than 10 per cent of total consumers'

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[194]This law has been implemented based on a type of assessed income scheme, particularly for the self-employed who are considered to be the worse tax evaders. However, as Alex Papadopoulos remarks, the problem of tax evasion is partly attitudinal: "The Greeks' unwillingness to pay income taxes stems partly from a conviction that they get little in return. Businessmen complain that instead of being used to fund public investment, tax receipts pay the salaries of an ineffectual civil service or disappear into the black hole of the public debt." Alex Papadopoulos, "In Pursuit of Tax Evaders," *Financial Times*, 14 November 1995, p. II.

expenditure; and an intermediate rate of 18 per cent (reduced soon to 16 per cent) on all other goods and services.[195]

Most recently there has been a wider standardisation of VAT in Greece and the eighteen per cent figure has been adopted for most categories. However, although the VAT has made less complex indirect taxes in Greece, it has not contributed to reducing tax evasion to the extent that was initially hoped since the administration and implementation of the tax has been difficult for Greek authorities to achieve. T. Georgakopoulos has remarked that: "For although this tax is a truly simple tax for each taxable person to apply, considered as a system in total, it is very difficult to be administered, in view of the large number of taxpayers, most of which are small firms with poor bookkeeping, and where checking meets with difficulties."[196] Having recognised these difficulties, however, one must also mention that in the past three years (1992-1995) there has been a purposeful effort made on the part of government to more efficiently organise and oversee the implementation of VAT through the use of computers which have been utilised to monitor individual economic activities via an ΑΦΜ (Αριθμός Φορολογικού Μητρώου -- an individual tax number). Since the Ministry of the Economy began to employ computerisation as part of its organisation, it has been able to conduct audits of small firms and companies and thus catch tax evaders more capably. Nevertheless the computerisation process is still very incomplete in Greece, particularly in areas outside the two main urban centres -- Athens and Thessaloniki -- where old practices continue and where the state has still to technologically employ a more sophisticated system of reviewing economic activity.

The underground economy can also be seen operating through the practice of *moonlighting*, particularly among salaried employees in the public sector, but by other professional groups as well. It is common for one to witness public teachers acting as private tutors for students who want to pass the difficult state university entrance exams; or public tax officers working in the afternoons as tax consultants in private firms and small businesses; or medical professionals working for the public hospitals during the day while having their own private practices in the evenings. The supplementing of one's income, while in and of itself not necessarily illegal, in Greece has added to the underground economy as a large percentage of it is unreported income. A sizable number of those practicing *moonlighting* do not report

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[195]T. Georgakopoulos, "Fiscal Policy," In *Greece and EC Membership Evaluated, op. cit.*, pp. 29-30.

[196]*Ibid.*, p. 30.

their additional income (either they do not give receipts for services rendered as mentioned previously, or do not give receipts for the full amount that they charge), and it has been very difficult for governments to track this activity and to catch the culprits. Many believe that Greeks are able to sustain their lifestyles because they do partake in the underground economy, and some have gone as far as to state that the underground economy has inadvertently acted as a safely value for the national economy by fulfilling citizens needs which the state is incapable of satisfying.

Thus the underground economy in Greece has led to undermining the legal economy and most especially this has occurred as regards the public sector and its social services. Public infrastructures continue unchanged as citizens seek out other ways -- often illegal ways -- to get what they need done, which can include bribing and other illicit activities. The underground economy in Greece is thus a way of life, and this undermines the state infrastructures, i.e., the public sector, which in turn detrimentally influences private investment in the country, both by indigenous and foreign actors. Finally, Greece's fiscal reputation is also shattered due to public sector inefficiency, this seen particularly among Greece's EU partners who look disapprovingly at how economic services continue to operate.[197]

7.5 Conclusion

Having remarked (albeit briefly) upon the decade of the 1980's, Greece and EU economic convergence and the CSFs as well as some of the idiosyncrasies of the Greek economic environment as they are manifested in the Greek underground economy, several concluding thoughts seem warranted to ally these reflections and relate them to the question of legitimacy.

First, it is not that Greece has the lowest GDP per capita among EU member nation-states which creates problems of legitimacy at home. Although certainly citizens judge their government's economic performance and criticise and make their evaluations as to the prevailing economic climate at the time, there is more involved in the issue of legitimacy. Economic efficiency is only one of many factors that needs to be considered when trying to uncover clues about legitimacy. The sociopolitical culture that prevails in a country is just as integral for an

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[197]Greece remains very much a country dependent on tourism, and her historical sites and physical beauty attract vacationers from all over the world. However, after only a few short days in the country, tourists who come to visit Greece often become aware of the inefficiency of the public sector as they interact with banks, transportation offices, etc. The variety of strikes that often take place during the summer holiday months for the very reason that then they can make their demands heard (and be met) by government, usually as well leave an unfavorable impression on tourists.

understanding of what citizens perceive of as legitimate. The social attitudes that came to be formed about the role of the clientelist state in Greece and what it would dispense to whom which have been taking a modern guise throughout this twentieth century and which in the 'populist decade' of the 1980's reached a new apogee, have resulted in a portion of the Greek population unwilling to now pay the costs of rampant consumerism and stagnant productivity. This is most apparent among public workers who object to plans of privatisation as they fear that their jobs will become redundant, as was mentioned in the previous chapter. However, these attitudes are also found among a sizable portion of the population which clings to past practices and refuses to come to terms with new realities which EU integration necessitates. Greece appears to be a case where socio-cultural attitudes and habits at times play a more decisive role than economic indicators in so far as how citizens formulate an opinion about government actions and policies.

The younger generation in Greece, educated under different socio-economic circumstances than their parents and grandparents, can perhaps better come to grips with the economic conditions which prevail in a global world environment. As the memories of Greece's post-war past fade, and old hostilities from the civil war era subside, there may be the possibility that attitudinal changes can take place to reorient a new generation of Greeks. Attitudinal changes as well may also occur once the old vanguard political leadership of the country is replaced by younger leaders, as seems to be now occurring, who can perhaps bring with them a new vision and insight change within the political parties themselves. Other structural changes within the state apparatus itself, for example the organisation and administration of the public sector, appear to be key for the auspicious completion of the modernisation process.

Second, the underground economy in Greece has become the vehicle by which Greeks enjoy a standard of living that they have come to expect but which the state cannot provide them. By holding a second job, one which many times goes unreported, and by the exchange of *services*, one learns to get around the system to attain what it is they are after. These activities could range from negotiating a bank loan, to getting your vehicle passed through inspection, to getting something rolled through customs (a VCR, a computer), to securing a telephone line (which despite improvements in the system may still take months). The state's inability to provide timely and basic services has led to an underground economy which some speculate

may be at least or higher than 30% of all economic activity in the country.[198] The state needs to crack down on tax evasion and implement tax reforms if a more equitable distribution of income in the country is to occur. Yet at the same time, the underlying problem is that structural inadequacies remain and that the poor level of services lead citizens to search for alternative options which feeds the underground economy. And in turn the underground economy breeds "private rationalities that do not add up to a developmental track for the national economy as a whole."[199]

Third, for the Greek economy to get on track with EMU criteria, major structural changes need to occur which requires political courage and unswerving implementation on the part of Greek governments to implement the economic programme as now set out and to inform and educate citizens as to how that is to be achieved. Awareness of what the European Union is embarking on, and how this will affect citizens could raise the level of consciousness among a sizable portion of the population which still remains uninformed. The discussions concerning the Maastricht Treaty were confined to political party leaders with only a handful of discussions in parliament, without any information supplied by the state for citizens. Unfortunately, at present it appears that the same is occurring for the 1996 Intergovernmental Conference (since there are no visible signs that any organised activities are occurring to spread awareness about the IGC, what this conference entails, and its significance for Greece and for the future of the Union).

Structural changes which appear to be requisite for the country to enhance its economy include building the necessary economic infrastructures such as roadways, airports, an updated and modern telecommunication system, improvements in the water supply system, upgrading medical care and educational facilities and curriculum. A majority of projects in these areas have been assigned funds through the two CSFs. Greek governments have a responsibility to encourage industrial development and private investments, and achieve agricultural self-sufficiency which is attainable since approximately one-fourth of the labour force is still involved in agriculture. However, these necessary reforms require a government

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[198]This figure quoted by Yannis Stournaras, who was president of the council of economic advisers in the Greek Ministry of Finance under Andreas Papandreou. *See* "Belgium Blames Cultural Divide as Greeks Sell off Assets in Debt War," *European*, 5-11 August 1995. Stavros Thomadakis confirms this estimate by claiming that by 1988 the underground economy was 31% of the official GDP of the country. *See* Stavros Thomadakis, "The Greek Economy and European Integration: Prospects for Development and Threats of Underdevelopment," In *Greece Prepares for the Twenty-first Century*, *op. cit.*, p. 113.

[199]Stavros B. Thomadakis, "The Greek Economy and European Integration: Prospects for Development and Threats of Underdevelopment," *op. cit.*, p. 115.

which will determinedly push forward policies and reforms while relaying information and educating citizens of its plans. The Second Community Support Framework programme for 1995-1999 that has been assigned by the EU to Greece to create and build up the infrastructures of the state include a sizable amount of money to be spent on the creation and enhancement of road networks, including the Athens metro, the Spata airport, the Egnatia highway, and various rail links. Other areas designated funding for modernisation projects are in the health sector as well as those concerned with the environment and with ecology. The hope is that thousands of new jobs will come about as a result of these projects which will entail a great deal of physical construction. These various projects which have been earmarked by the EU for Greece are currently being carefully scrutinised by EU officials as well as by national authorities[200] This could lead to the gradual adaptation of modern practices and forms of behaviour such as that of meritocracy which could result in a more sagacious use of Community money. The EU will no less continue to monitor how Greece spends the Second Community Support Framework to ensure that indeed funds are being channeled efficiently and prudently.[201]

These cautions come after the fallout from the First Community Support Framework of 1989-1994. During that time period, one which witnessed two coalition governments and three national elections in Greece, investigations conducted by the Commission revealed that a portion of EU funds were not spent in accordance with Community law. As it has been difficult to accuse any one particular government which was in power at that time, the finger of blame has been pointed at both major political parties and likewise at the coalition governments which were formed at the time as interim governments. As was mentioned in Chapter Four in this study, in May of 1995, the Commission demanded that some 120 million drachmas be returned to the EU coffers since no evidence could be provided by Greek governments as to how and where some of the money from the First Community Support Framework was spent.[202] Violations that were uncovered by the EU investigating commission ranged from an inappropriate monetary currency exchange from ecu to the Greek drachma which heavily favoured the Greek drachma, to

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[200]The present National Economy Minister, Yiannos Papantoniou, has stated that 7.9 million drachmas are to be spent on infrastructure projects in the next several years, and has declared that 1996 will be the first year in which there will be complete absorption of Community funds. *Athens News Agency Bulletin*, 19 March 1996.

[201]An EU monitoring committee is responsible for collecting data concerning the various projects which have been approved for financing and interim assessments are likewise conducted to assure that the objectives of the programmes are being met. *See Greece, Community Support Framework 1994-99, op. cit.* pp. 110-112.

[202]*See* (in Greek) " Ζητούν Πίσω 120 Δις." ΤΟ ΒΗΜΑ τής Ευρώπης, 12 Μαϊου 1995, σ. 1-2.

inappropriate programmes being funded, to machinery and other equipment bought with EU funds disappearing.[203] From past experiences, therefore, a more careful monitoring as to how and in what ways the Second Support Framework is spent has been devised by the EU[204] in cooperation with Greek authorities and plans for developing a steering and administrative unit to oversee these funds has been brought up as a way to better control and monitor programmes cited for funding.[205]

It appears then that the economic environment in Greece and how it is perceived is of particular significance for the question of legitimacy. At the same time, socio-cultural characteristics that still predominate within Greek society continue to affect what Greek citizens perceive of as legitimate government actions and policies within the economic domain. This complex dialectical relationship of traditional habits on the one hand and modern practices that require assimilation on the other, needs to be reconciled so as to allow Greece to resolutely confront the economic provocation's of which the next century forewarns. Greece has to develop a complementary balance between the old and the new enabling her to keep abreast of the dynamic global economic environment and its needs while fitting this reality into her socio-cultural habitat.

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[203] *Ibid.*, p. 2.

[204] And this monitoring process is in fact being enforced. On 30 April 1996, the EU Commission decided to hold off payment of the second part of a loan to the Greek national carrier Olympic Airways until the Greek government gives a full explanation as to why some of the requirements which had been previously agreed upon by the Greek government have not been carried out. More specifically, the Commission stated that: " ... the Commission is concerned that certain conditions stipulated as part of the original decision in October 1994 have not been fulfilled. In particular, the requirements that there be no further state aid and that the Greek government should not be involved with the management of the airline beyond its role as a company shareholder." *Athens News Agency Bulletin*, 2 May 1996.

[205] *See* (in Greek) "Το Πακέτο Ντελόρ στο Μικροσόπιο," ΤΟ ΒΗΜΑ τής Ευρώπης, 15 Οκτωβρίου, 1995, σ. 1, 4-5.

Chapter Eight

GEOPOLITICS: ISSUES OF SECURITY AND DEFENCE IN GREECE

8.1 Introduction

The final chapter of this part of the study endeavors to explore the relationship between national security and defence concerns in Greece and their relationship to the question of legitimacy. Historically geopolitics has been a keen aspect of the strategically located modern Greek state making her the most straddled of EU member states; a Mediterranean, a *southern* European and Balkan state at the same time. Straddling these various geographical identities, which have intimately affected Greece's sense of national (cultural) identification, has been indeed formidable. Since joining the Community in 1981 as a full member, Greece clearly has become a member of the *west* and for some, this has definitively answered the perennial question as to how to define Greece and where she belongs.[206] But despite the fact that there does seem to be a consensus that Greece is now clearly part of the western world, Greece's border disputes with Turkey, her geographical proximity to the hostilities in the former Yugoslavia and her borders with former communist states have renewed discussions as to how and in what ways Greece is affected by her geographical location and how this relates to national security concerns. Thus events which have transpired in continental Europe in the past ten years (1985-1995) are of particular significance for a country such as Greece.

There is no doubt that the rise of ethnic nationalism in the post-cold war era has affected Greece and the Balkan region. Along with the collapse of communism in the former Soviet Union has come a wave of immense remodeling, rearrangement and refurbishing of states and their societies once under the firm grip of that superpower. The transformations which have occurred suddenly and abruptly have also ignited ethnic nationalism in these states of Eastern and Central Europe and the Balkans, resulting in the creation of new independent states. In the case of the Balkans, it has resulted in bloody struggles rekindled from past animosities of religious and ethnic origin. Within the former Yugoslavia, the rise of ethnic nationalism as a force has caused a horrendous war among the various republics, each of which strives to attain what it believes historically belongs to itself. Certainly Greece has been substantially influenced by this tide of ethnic conflict

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[206] *See* the discussion in Chapter Four of this study.

immediately to its north. More specifically, the formation of an independent state now referred to as FYROM -- the Former Yugoslav Republic of Macedonia -- has brought the Yugoslav conflict into the Greek domestic political arena as one of the most pressing concerns of the country. Both western allies and EU partners alike wish to have peace in the region and do not want to see Greece entangled in any of these conflicts.

The goal of this chapter will be first to introduce the particularities of national identity in Greece; second, to examine briefly Greece's relationships with its Balkan neighbours (with some mention of Greek-Turkish relations) as these pertain to matters of security and foreign relations; and third, to investigate Greek attitudes towards a European Common Foreign and Security policy (CFSP) and towards the Western European Union (WEU). The focal point again will be the relationship of these with the topic of this study, the question of legitimacy. This thematic overview can perhaps best clarify how security and defence is tied into the question of legitimacy in Greece. There appears to be an intangible, wafting duality of attitudes and emotions that emerges from investigating how Greeks perceive security and defence in their country and who should be responsible for it, and this phenomenon (acting as a *leit motif* throughout this chapter) will be brought to light as it nourishes the subject of legitimacy.

8.2 Nationalism and National Identity in Greece

Questions of nationalism and national identification in Greece, among other concerns, need to take into account the relatively high level of cultural and ethnic homogeneity in the country. According to EUROBAROMETER surveys, 98% of Greeks polled identified themselves as Greek Orthodox. Greeks' keen sense of national identification[207] and religious homogeneity feeds into the legitimacy question in several ways. First, the notion of homeland (πατρίδα -- patreda), and nation (έθνος -- ethnos)[208] are deeply embedded in Greek consciousness. From the struggles in the 1820's to become an independent state and break free from Ottoman rule to the resistance movements that were formed to fight off foreign occupation

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[207]The percentage of Greeks who identified themselves as 'nationality only' in EUROBAROMETER surveys was 46%, up 5 per cent from EUROBAROMETER survey #40, December 1993. Only 2% of those polled identified themselves as "European." This percentage is the smallest among those identifying themselves as 'European only' within the EU. *See* EUROBAROMETER #42 Spring 1995, Figure 9.5.

[208]Ninety-one per cent of Greeks polled expressed that they were 'proud' to be Greek. EUROBAROMETER #42 Spring 1995, Table 9.7. This is the highest percentage among EU member citizenry after the Irish, of which 92% expressed they were 'proud' to be Irish.

during the Second World War, Greeks have explicitly and passionately demonstrated their affection for their *patreda*. Perhaps partially explicable due to continuous foreign involvement in the affairs of the country and owing to the recognition that diaspora Greeks were found (and some six million continue to be found) in countries scattered around the world, this sense of *patreda* and *ethnos* kept Greeks tied to their place of origin. The continuation of the use of the language and customs enabled diaspora Greeks to maintain an acute sense of *Greekness*. Second, within the country itself, there are intense sentiments of national identification which are often inappropriately aroused by politicians to further their own political purposes (since these are emotional reactions they are often quite irrational as well). Greeks' cultural identification, heritage, and shared religious practices reinforce similarities which bind them to their *patreda*. As a result of this, Greeks tend to support state policies (του κράτος -- of the state) which present an image of the country reflecting this *Greekness*.

Evidence for this from recent events has been with the FYROM and the negotiations with the Skopje government for a solution as to the question of its official name. The desire on the part of the FYROM government to adopt 'Republic of Macedonia' as the official name of the newly formed breakaway republic of FYROM has caused much debate within Greece and has spurred passionate disagreements and discussions in the mass media and in the political arena more generally. Furthermore, the use of the Sun of Vergina and questionable irredentist language in the FYROM's constitution sparked off a lively debate between the two countries which saw much popular support on the part of Greeks for the diplomatic chill which occurred between Greece and the FYROM government. Likewise there has been considerable popular support in Greece for the Greek government's sympathetic stance towards the Serbians throughout the Yugoslav crisis. Serbians are perceived of as orthodox *brothers*, and were allies during the two Balkan wars and World War One; they likewise fought against German occupation with the same ferocity as the Greeks did during the Second World War.[209]

Hence there appears to be a sense of popular support and legitimacy for state policies when these are directly related to issues of national security or of historical or religious origin which reinforce territorial integrity and/or cultural heritage. The embodiment of the sense of *ethnos* -- nationhood within that of the state -- κράτος --

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[209]It is beyond the scope of this study to investigate the enormous role that the mass media in Greece has played in fostering nationalist sentiments to the point of being hubris. It will have to suffice to say here that their influence has been enormous and largely uninvestigated.

has resulted in a rising degree of popular acceptance for policies that fortify and invigorate the image of the Greek *ethnos* personified in state actions. The cases of the FYROM and that of the Bosnian Serbs are two such examples. Foreign policy issues which have arisen in the aftermath of the breakup of the former Yugoslavia may therefore be cited as instances which reveal that Greeks support state policies when they are presented as safeguarding the national image of the country during volatile periods in the Balkans. However, there remains much disagreement among Greeks as to how the most recent crises situations should have been dealt with, and here the various political parties have bickered relentlessly as to the most appropriate stance that should have been taken when the former Yugoslavia first began to break apart in 1991. Therefore, although a consensus has arisen as to the importance of Greece's national security during a highly unstable and unpredictable period in the Balkan region, there is much less agreement as to what particular posture Greece should have taken vis-à-vis conflicts which occurred on Greece's northern doorstep. Nonetheless this is a question of internal politics, and thus a separate issue from that of the feelings of legitimacy expressed by citizens towards issues of security and defence. The latter relies on Greeks' honed sense of national identification -- embodied in the state -- as a basis for what is perceived of as legitimate.[210]

In his discussion of 'State-Civil Society Linkages: The Cultural Dimension,'[211] Nicos Mouzelis describes as one of the features of 'late developing countries'[212] a seemingly contradictory set of attitudes held among the citizens of these late developers as regards the notion of homeland. His analysis of how citizens view their *patreda* is very much in keeping with what has been mentioned here about the Greek's sense of national identification. He writes:

> On the one hand, citizens unreservedly and in highly patriotic manner support the national ideals, to the extent of being ready to give their lives for them in case of war. On the other hand, the same citizens have no qualms whatsoever in robbing the state, either indirectly by evading taxes or directly by wasting or appropriating taxpayers' money, destroying the environment or fanatically promoting sectional interests that are detrimental to the interests of the majority of the population. The contradiction between this strong support of national

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[210]The demonstrations held in Greece attended by over a million people in 1994 were expressions of Greek *popular* nationalist sentiments partially aroused by indigenous politicians, unfortunately, for their own political purposes, which meant that the demonstrations did not necessarily focus on the real issues at hand.

[211]Found within, Nicos Mouzelis, "Modernity, Late Development and Civil Society," In *Civil Society*, John Hall, ed., (UK: Polity Press) 1995, pp. 224-249.

[212]For an explanation of 'late development' *see* Alexander Gerschenkron, *Economic Backwardness in Historical Perspective*, (Cambridge, Mass: Cambridge University Press) 1962. *See also* Chapter Two of this study, 2.5.

> ideals and the total lack of civic spirit does not necessarily imply institutionalized hypocrisy. It rather indicates a more or less unconscious refusal to see the connections between different types of national interest; or perhaps the interconnections are made on the rhetorical level but not on the level of actual dispositions and first-order political practices.[213]

This attitudinal inconsistency is likewise repeated in other guises relating to security and defence matters. As will be discussed below, Greek views about a European CFSP (Common Foreign and Security Policy) and the WEU (Western European Union) also reveal a binary disposition to these joint ventures with EU member states, which is both nationalistic in nature yet reveals the need for Greeks to participate in and support European cooperation. Detecting the degree of social and political legitimacy for these organisations and planned policy areas thus becomes a multifaceted and intriguing exercise. Pinpointing exactly what it is that Greeks desire from the European Union is somewhat of an enigma, given the strong desire for the continuation of unilateral action on the part of the nation-state on the one hand, combined with clear recognition of the necessity for European collaboration on the other.[214]

8.3 Greece and its Balkan Neighbours

Clearly Greece's Balkan neighbours are of eminent concern when discussing the matter of national security and defence. Yet the question of security and defence in Greece is perhaps most greatly influenced by its relations with its age-old rival to the east, Turkey. Greek-Turkish relations since 1974 have revolved around several disputes including: (a) the continuing Turkish occupation of northern Cyprus; (b) disagreements over the Aegean continental shelf and air space in the Aegean, Greece claiming it has a ten mile air space and a twelve mile territorial water boundary while Turkey disputes these demarcations; (c) human rights issues in Turkey and Greece and whether they are being violated (i.e. the Kurds, the Greek minority in Turkey, and the Muslim minority in Greece); and (d) Turkey's customs union agreement with the EU, effective 1 January 1996, leading to possible full

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[213] *Ibid.*, p. 241.

[214] Greece has most recently called for the continuation of unanimity in the decision-making process within the EU and believes that this principle should be adhered to in the upcoming 1996 IGC. Greece as well supports the continuation of the national veto. *See* official position of the present PASOK government for the IGC, Prime Minister Kostas Simitis' address in Parliament 19 March 1996.

However, Greece likewise promotes a pro-federal Europe including a 'communitization' in certain policy areas. *See* Greek Foreign Minister Theodoros Pangalos' statement contributed to the second meeting of the Intergovernmental Conference dedicated to the topic "The Union and the Citizen" held on 22 April 1996 in Luxembourg.

membership in the EU in the near future.[215] The underlying concerns for Greece as regards its historical rival have likewise to do with the breakup of Yugoslavia and the fears of a spread of Islamic fundamentalism. A sizable Muslim community in western Thrace stirs uneasy feelings for Greeks who protest over Turkey's accusations that the Muslim minority is discriminated against and that human rights violations are occurring. Greece denies these accusations and claims that the Greek Orthodox population in Turkey is the real victim of human rights violations, and that this Greek population in Turkey has been denied the right to use the Greek language, practice their religion, and have been stripped of property rights.

The most recent skirmish with Turkey[216] occurred over the weekend of 27 January 1996 on the islet of Imia in the Dodecanese located in the southeastern Aegean close to the Greek island of Kalymnos, when some members of the Turkish newspaper *Hurriyet* removed a Greek flag from the islet and hoisted a Turkish one in its place. The National Defence Minister Gerassimos Arsenis the following day, on the 28th of January, instructed the Hellenic Navy patrol to put back the Greek flag. To be concise, this incident developed into a major dispute and put Greece and Turkey again on the brink of war. The question of Greece's sovereignty and its territorial borders with Turkey in the Aegean was again brought into question as the Turkish

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[215]For Greece's conditionality policy concerning Turkey joining the EU, see Prodromos Yannas, "The Greek Factor in EC-Turkey Relations," In *Greece and EC Membership Evaluated*, *op. cit.*, pp. 215-221. Turkey's accession to the EU remains a highly controversial issue in Greece, some believing that Turkey's entry into the EU will force the country to *westernise*, while others contend that Turkey has no business in the EU, and that if it were to join as a full member, other EU partners may find themselves in the awkward and unprecedented position of refereeing quarrels between two member-states.

[216]The recent Aegean crisis over the islet of Imia has caused the Greek government to re-evaluate its position towards Turkey and its entrance into the customs union. Greece has vetoed any proposals for EU financial aid to Turkey unless they renunciate the use of threats of violence or use of violence, respect the principle of sovereignty and territorial integrity, respect international law and treaties, and the relevant international practice. Greece was able to convince her EU partners that a text of 'common positions' was necessary to present to Turkey before the awarding of any financial aid, and this effectively led to the postponement of any action until an official Turkish response was received. The official text of the 'common positions' as adopted by the EU Council is as follows:

"As far as this issue is concerned, the Council has agreed that the following principles should apply:

-- the renunciation of the use of force or the threat of force in the bilateral relations,
-- the respect of the principle of sovereignty and territorial integrity,
-- the respect of international law and Treaties and the relevant international practice,
-- the identification of appropriate mechanisms, in accordance with international law for the peaceful resolution of disputes, in particular the ICJ or another judicial dispute resolution mechanism on which both sides could agree,
-- the application of the principle of good neighborly relations,
-- the pursuance of dialogue along the lines which have emerged in previous bilateral contacts which may contribute to the improvement of the bilateral relations as well as the establishment of a crisis prevention mechanism."

"The Council invites/calls upon Turkey to commit herself to these principles." *Athens News Agency Bulletin*, 26 March 1996.

foreign ministry claimed that the 1932 agreement between Turkey and Italy concerning the borders of the Dodecanese islands was invalid, and also claimed that the subsequent Paris Peace Treaty signed between Italy and Greece in 1947 concerned the Dodecanese islands and left open the ownership of the adjoining islets.[217] Subsequently, however, both Ms. Ciller and Mr. Baykal stated that Turkey accepts the two aforementioned treaties but still claim that the former does not apply to Imia.

The crisis was defused as a result of the United States taking the initiative to discuss the issue with both Greece and Turkey which prevented the two NATO members from declaring outright war. This incident laid bare the inability of the European Union to take action concerning one of its member states and further revealed the European Union's inertia in matters of foreign policy.[218] Likewise the incident raised doubts about the notion of EU legitimacy as regards a policy area which it is supposedly trying to foster support from both national politicians and their citizens. Richard Holbrooke noted after the United States intervened in the matter to restore calm that while the USA was on the phone all night speaking to Athens and Ankara, Europe was sound asleep oblivious to the danger that was imminent within its borders.[219] The European Commission released a statement on 7 February 1996,[220] a week after the Imia incident occurred supporting Greece and its right of territorial integrity but this came *de facto* and was perceived as too little too late. As EU Commissioner Hans van den Broek admitted "the Council of Ministers, the most appropriate organ which ought to have taken a position on this, has not reacted."[221]

Following the Imia incident, Prime Minister Kostas Simitis conducted a brief European tour stopping in Brussels, Bonn, and Paris from 21 to 23 February 1996[222] to inform his European counterparts of the severity of the recent Imia incident and called for a common recognition from Europe that such disputes should be referred

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[217] *See* statements made to this effect by the Turkish foreign ministry on 29 January 1996 by Deniz Baykal and subsequent statements made in a similar vein by caretaker Prime Minister Tansu Ciller to the international press on 30 and 31 January 1996.

[218] EU Commission President Jacques Santer, when asked why the Commission did not take a more decisive stance on the Aegean crisis on January 1996, said that the Commission does not have any power over foreign affairs, and that only the Council of Ministers can make statements and decisions about foreign affair matters. *See* Jacques Santer's statement to the international press, 1 February 1996.

[219] *See* "US Policies Aegean 'While EU Sleeps'," *Financial Times, 9 February 1996.*

[220] *See* European Commission statement of 7 February 1996, *Athens News Agency Bulletin*, 8 February 1996.

[221] *Ibid.*

[222] While Prime Minister Kostas Simitis was on his European tour, Turkey decided to recall its ambassador to Athens back to Ankara for 'consultations.'

to the International Court of Justice at the Hague where the rules of international law are employed as a vehicle of resolution, and that Greece was not prepared to negotiate bilaterally with Turkey border disputes which Turkey instigates. Prime Minister Kostas Simitis likewise called for the issue of external borders to be discussed at the 1996 Intergovernmental Conference and urged the EU to recognise that Greece's borders are the borders of the European Union. Simitis further urged his European counterparts to acknowledge the necessity for the further development of a common foreign and defence policy.

Various other incidents have occurred between Greece and Turkey in the Aegean following the Imia crisis, including a skirmish between a Greek coast guard vessel and a Turkish vessel near the Greek island of Kastellorizo, on 22 April 1996. The Turkish vessel, after having refused to stop for a check by Greek authorities, was chased by the Greek coast guard which fired warning shots that injured the captain of the Turkish vessel. An announcement by the Greek Merchant Marine Ministry later confirmed that the Turkish vessel had dropped off illegal Iranian immigrants on Kastellorizo (who were arrested by Greek authorities) and then fled back into Turkish waters. The Turkish vessel's captain was later identified as a reputed, well-known illegal immigrant smuggler.[223] Two days later, on 24 April 1996, another Turkish speed boat was caught by Greek patrol authorities trying to transport illegal Iraqi refugees on to the Greek island of Samos. This time however, both the Turkish captain of the speed boat and the illegal aliens were caught and arrested. From 1992-1995, some 22,900 illegal immigrants have entered Greece from Turkey and have been arrested by Greek authorities, approximately 5,300 entering from the islands and the sea regions.[224]

The most pressing, and perennial thorn in Greek-Turkish relations, however, continues to be the division of Cyprus. It is beyond the scope of this study to get into detail about what has transpired throughout the twenty odd years since the εισβολή -- the 'invasion,' as it is referred to by Greek Cypriots.[225] The negotiating framework via which both sides have been carrying out talks has been the United

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[223]*Athens News Agency Bulletin*, 23 April 1996.

[224]As quoted by the Greek Public Order Ministry in April 1996 which accumulates data on illegal entry into Greece.

[225]There is a plethora of commentaries on the Cyprus issue and more generally Greek-Turkish relations. For some of the most reputable (and recent) in English *see* Van Coufoudakis, "PASOK on Greco-Turkish Relations and Cyprus, 1981-1989: Ideology, Pragmatism, Deadlock," In *The Greek Socialist Experiment*, Theodore Kariotis, ed., (NY: Pella Pub. Co.) 1992, pp. 161-178, and his "Greece, Turkey, Cyprus and the United States in the Changing International Order," In *Greece, the New Europe, and the Changing International Order*, *op. cit.*, 1993, pp. 391-420.

Nations Resolutions on Cyprus. These talks have had wavering degrees of success, and although from time to time there are signs of a breakthrough, there are also those who feel that the Cyprus issue and the current split of the island may in the end remain a *fait accompli*. In light of recent discussions concerning possible accession to the EU by Cyprus and Malta, the question of Cyprus has again come to the fore as a lingering dilemma. However, unsuccessful attempts by Greece to crystallise the gravity of the Cyprus issue to its European partners and the international community alike, along with the forgone conclusion that the longer the island remains split, the harder it will be for reconciliation to be reached as semi-permanent invisible as well as visible barriers have been created over two decades dividing the two communities, have resulted in the present status quo.

One thing is quite clear, however, and it is that Greek Cypriots will never perceive as legitimate the partition of Cyprus and thus cannot definitively accept the division of the island as final and terminal. The scars of the conflict are deep, and a recent outrage has again occurred opening up old wounds over the Turkish Cypriot leader Rauf Dentash's statement that 1,619 Cypriots who were listed as missing were in fact executed by Turkish paramilitary forces during the 1974 Turkish invasion of the island. The present Greek government along with the Greek-Cypriot government have considered bringing the issue up at the International Court of Justice at the Hague to have the act officially branded as a war crime. The destruction and violence lingers on in the memories of those who witnessed the invasion and its resulting partition of the island. Turkish armed forces in the north of the island serve as one of the most imminent security threats for Greece, and unless this Turkish presence is removed from the island, there appears to be no way that Greece can truly feel that her borders to the east are secure.

Until the recent Dayton accord was reached which led to a peace initiate for Bosnia, Greece also experienced a period of heightened danger due to her geopolitical position in the Balkan region. Clearly the demise of communism in this post-cold war era has influenced issues of Greek national security and has somewhat 'dragged Greece back into the Balkans.'[226] Nevertheless an occasion has likewise arisen which could allow Greece in her novel geographic position, as a kind of gateway between the EU (and the rest of the *west*) and these former communist states, to benefit financially, politically and geopolitically. As mentioned previously, the crumbling of the former Soviet bloc has precipitated concerns with Greece's

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[226]Richard Clogg, *A Concise History of Greece*, (Cambridge: Cambridge University Press) 1992, p. 206.

neighbours to the north -- the former Yugoslav Republics, particularly FYROM and with Albania.

One may recall that Greece imposed trade sanctions on FYROM in February of 1994 in an attempt to put pressure on them to reconsider their choice of an official name, to protest at their use of ancient Greek symbols such as that of the Sun of Vergina on their national flag, and to show disapproval of their irredentist language that was found in parts of their constitution. Negotiations which occurred between Greece and FYROM led eventually to the lifting of the trade embargo (in October 1995, after nineteen months) with the understanding that the question of the name would be further discussed until a mutual agreement was reached; that the FYROM's national flag would not include the Sun of Vergina; and that the questionable language from their constitution would be removed. However, it should further be recalled that the trade embargo that Greece placed on the FYROM was a unilateral action taken by Athens which witnessed the disapproval of Greece's EU partners. In fact, the European Commission, irate over Greece's conduct, brought an action against Greece on 25 April 1994 to the European Court of Justice. The Commission claimed that Greece had not appropriately justified its economic blockade of FYROM in terms of Article 223(1b) and 224 of the EC Treaty.[227] Second, the Commission did not find that the internal security of Greece would be at risk without the economic sanctions. Finally, and perhaps most importantly, the Commission denied the assertion made by Greece that FYROM posed a national threat to Greece which could lead to war.[228] In the end, no action was taken against Greece, as the European Court of Justice later rejected the Commission action. However, this incident was enough to visibly reveal the differences of opinion held between Greece and other EU members as regards policies towards newly independently formed states in the Balkans.[229] This may disclose one reason why the desire to adopt a

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[227]Article 223(1b) of the EC Treaty states that: "Any Member State may take such measures as it considers necessary for the protection of the essential interests of its security which are connected with the production of or trade in arms, munitions and war material; such measures shall not adversely affect the conditions of competition in the common market regarding products which are not intended for specifically military purposes."

Article 224 of the EC Treaty reads as follows: "Member States shall consult each other with a view to taking together the steps needed to prevent the functioning of the common market being affected by measures with a Member State may be called upon to take in the event of serious internal disturbances affecting the maintenance of law and order, in the event of war, serious international tension constituting a threat of war, or in order to carry out obligations it has accepted for the purpose of maintaining peace and international security."

[228]*See* "Action brought on 25 April 1994 by the Commission of the European Communities against the Hellenic Republic," *Official Journal of the European Communities*, No C 174/10, 25 June 1994.

[229]*See* the various commentaries in *European Report*, (Brussels: European Information Service), including: "Greece/Macedonia: Day of Reckoning Draws Nigh for Athens," 13 April 1994;

common foreign policy towards third countries (those outside the EU) may be more challenging than was first thought, even by those who are presently promoting EU cooperation in ever-expanding policy areas.

The changes that have occurred since the crumbling of Soviet communism have also affected other once Soviet bloc countries. The opening of Albania, considered to be the most closed of all communist countries, has had a tremendous impact on Greece. The influx of an estimated 300,000 Albanians into Greece has created pressing demographic and social problems for the Greek state, including employment dilemmas as these destitute immigrants seek employment wherever they can find it. There is a perception that crime and other social ills have arisen as these immigrants arrive in Greece with little or no money and are immersed in a consumer society of which they know little or nothing about. It should come as no surprise, then, that some sixty-four per cent of Greeks polled expressed the feeling that there are "too many foreigners" in their country.[230] This display of xenophobia has been decisive in demonstrating Greece's attitudes towards these immigrants. The rather sudden immigration of ethnic Albanians and Yugoslav refugees into Greece, a country which has not witnessed foreign immigration in great numbers in modern times, has created a visible aversion to these immigrants. It is worth noting, however, that a definite distinction has been made between Albanians from northern Epirus and those from other areas within Albania, the former being perceived of as *brothers* while the latter simply as impoverished foreigners. The affiliation and sense of shared customs and religion with the Βόρεια Ηπειρότες -- northern Epirotes -- places them in a favourable light with Greeks, who tend to empathise with forlorn immigrants and who perceive the northern Epirotes as *their own*.

The influx of Albanians into Greece, coupled with various border incidents between the two countries that involved armed soldiers from both sides, led tensions to run high between the Greek and Albanian governments during the period 1991-1993. For their part, the Greek government began to deport illegal Albanians, carting them off to the Greek-Albanian border at night, only to see them back again on the Greek side the next morning.[231] The Albanian government claimed that their people were unfairly treated by the government in Athens and a tit-for-tat relationship developed between the two countries. Presently, however, an amicable relationship between

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"EU/GREECE: Commission Seeks Preliminary Injunction Suspending Embargo on FYROM," 16 April 1994; and "Commission Requests Court Order in Greece/FYROM Row," 27 April 1994.

[230]EUROBAROMETER #42, Spring 1995, p. 69.

[231]The Greek-Albanian border is one of mountainous (the Pindus mountain range) and uneven terrain which makes it nearly impossible to monitor border crossings effectively.

the two countries has developed;[232] and most recently there are discussions in Greece about opening up Greek banks in Tirana to handle money exchanges between Albanian immigrants in Greece who want to have bank accounts in Albania.[233] Greece has also allocated some 27.3 billion drachmas for a cooperation programme with Albania, known as INTERREG-PHASE CBC, which will involve both road construction and communication links between Greece and Albania via an underwater optic fiber cable. The hope is that eventually the communication link will be able to extend from central and northern Europe to the Eastern Mediterranean and the Middle East.[234] Greek President Kostis Stephanopoulos conducted an official two-day visit to Tirana, from 21 to 22 March 1996 to sign a friendship and co-operation treaty between the two countries. Nevertheless, the freeing of Albania, the poorest country in Europe, has created innumerable consequences for her neighbours, and Greece in particular has had to face a deluge of destitute immigrants on to her soil.

The necessity for EU coordination in the areas of migration and immigration policy as discussed in Chapter Three of this study clearly emerges when discussing such issues of mass immigration and how they are to be confronted. As has been mentioned previously in this study, the lack of a common EU policy on immigration has resulted in various member states adopting their own means to confront illegal immigration which have for the most part been defensive and reactive. Greece has been no exception. However, in light of the fact that no long term plan has been discussed at an EU level, member states have been left to their own accord to deal with this pressing and ever-growing dilemma of illegal immigration resulting in short-term immediate actions on the part of member states which are myopic, and which ultimately do not effectively resolve questions such as asylum, illegal immigration smuggling, and border controls. Italy has had little success in controlling illegal immigrants even though they have adopted identity cards and employer sanctions, and Germany, which has been the largest receiver of asylum seekers, has also been forced to develop its own policy towards these immigrants.

One of the paradoxes of Greek concerns with national security is revealed in Athens' apparent desire to get EU policy-makers more aware of and sensitive to Greece's

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[232]On 13 December 1995, Greece and Albania signed a protocol defence agreement which establishes areas of cooperation between the two countries concerning military training and assistance as well as health care issues.

[233]*See* Kerin Hope, "Policy Gap Weakens Balkan Thrust," *Financial Times*, 14 November 1995, p. I.

[234]*Athens News Agency Bulletin*, 19 April 1996.

geography. Greece presently acts as the southeastern border of the EU, and consequently this reality inherently affects issues of national security. The Greek government during the Imia crisis, as mentioned above, wanted recognition from her EU partners that Greece's borders are EU borders. Such an acknowledgment came via a European Parliament resolution of 15 February 1996 that included recognition that Greece's borders form part of the borders of the European Union. Security, in fact, is considered by Greeks to be one of the most important areas which should be of concern for the EU.[235] Yet at the same time, clashes have arisen between Greece and the EU, the EU objecting to Greek policies towards the FYROM as previously mentioned and towards Greece's sympathies with Serbia. In general, disagreements have arisen as to what posture Greece should present to her Balkan neighbours. All agree that Greece should promote peace in the region and use her strategic location to foster economic links with the west. Yet Greece's sympathies with the Serbs in Serbian conflicts with their neighbours, and the FYROM economic blockade, are two examples in which Greece's stance has been at odds with her EU partners.

One of the most promising relations that Greece has developed in the post-communist era has been with Bulgaria, historically one of Greece's least friendly neighbours, and that country which shares the largest northern border with Greece.[236] Greek-Bulgarian relationships have blossomed into one of mutual understanding and respect for borders in the aftermath of the collapse of Soviet communism. This has led to economic cooperation between the two countries, negotiated and cemented by visits of heads of state between the two countries.[237] As Kerin Hope writes: "Greece has agreed to open new border crossings with Bulgaria that will end the isolation of the Pomaks, a Moslem minority of farmers living on both sides of the Rodopi mountains, and give Bulgarian exporters access to

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[235]By analysing EUROBAROMETER surveys, for example from December 1992 to Spring 1995, what consistently appears as a matter of interest on the part of Greeks is that the EC/EU should concern itself with the security and defence affairs of its members. For various other analyses of Greek security and defence issues, *See* Thanos Veremis, "Defence and Security Policies Under PASOK," pp. 181-189, In *Greece, 1981-89: The Populist Decade*, Richard Clogg, ed., (NY: St. Martin's Press) 1993; and (in Greek) Χρήστος Λ. Ροζάκης, " Η Ελλάδα στην Ανατολή του 21ου Αιώνα: Εξωτερικοί και Εσωτερικοί Παράγοντες στη Διαμόρφωση της Διεθνούς Θέσης της Ελλάδας," In *Η Ελλάδα Προς το 2000*, Κατσούλης, Γιαννίτσης, Καζάκος επιμ., (Αθήνα: Παπαζήση) 1988, σ. 454-473.

[236]Richard Clogg's "Greece in the Balkans in the 1990's," In *Greece, The New Europe, and the Changing International Order*, Harry J. Psomiades and Stavros B. Thomadakis, ed., (NY: Pella Pub. Co.) pp. 421-435, is both a brief historical account of Greece's relations with her Balkan neighbours and a look at what they may be like in the 1990's.

[237]There has as well been enhanced shipping, trading, and banking relations between Greece and Romania since the fall of Soviet communism. Greek private investors have increased their economic activities in Romania resulting in Greek investments in the country continuing to grow rapidly.

the Aegean ports of Kavalla and Alexandropoulis."[238] An oil pipeline agreement between Greece and Bulgaria (costing some $700 million) is to be built carrying Russian oil from the Bulgarian port of Burgas to the Greek northern port of Alexandropoulis. This will allow oil to bypass the busy Bosphorus sea. Likewise a sizable number of private business ventures have developed between Greek and Bulgarian entrepreneurs which has furthered trade and cooperative ventures between the two countries. However, it must be kept in mind that Bulgaria's recognition of an independent FYROM was received with dismay by the Greek government and the Greek public alike.[239] Nevertheless, Greece has since been able to cultivate friendly diplomatic and economic relations with Bulgaria which is hoped will act as a counterbalance to continuous tensions with Turkey.[240]

Other plans which are underway in Greece to further her relations with other neighbours include the building of the Egnatia Highway which is to run through northern Greece, from Alexandropoulis to the city of Igoumenitsa (on the island of Kerkira - Corfu). The northern Greek city of Thessaloniki is scheduled to be the cite of the Black Sea Development Bank to open sometime in 1996. The bank will be created to handle regional trade and investment and its eleven shareholders include Greece and Albania and all Black Sea countries.

8.4 The Common Foreign and Security Policy (CFSP) and the Western European Union (WEU)

Greece's most important links with Europe and the west which concern security and defence have been its membership in NATO (since 1952), the European Union, the United Nations and the Conference on Security and Cooperation in Europe (CSCE).[241] Although Greece does not presently have troops participating in UN peacekeeping forces, it participates in NATO exercises in the Aegean and has supported the principles that underlie the organisation. Greece's most recent achievement concerning security and defence and its move towards further

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[238]Kerin Hope, "Policy Gap Weakens Balkan Thrust," *op. cit.* p. I.

[239]This holds true for the case of Belgrade's recognition agreement with the 'Republic of Macedonia' in April 1996.

[240]For a discussion of Greece's stance towards its northern neighbours and more generally foreign policy issues, *see* interview with current Greek Foreign Minister Theodoros Pangalos (in Greek) in TO BHMA, 28 Ιανουαρίου 1996.

[241]*See* Theodore Couloumbis' prolific work pertaining to Greek foreign policy and defence issues, including some of the most recent such as: "Greek-U.S. Relations in the 1990s: Back into the Future," In *Greece, the New Europe, and the Changing International Order, op. cit.*, pp. 379-390; "Introduction: The Impact of EC (EU) Membership on Greece's Foreign Policy Profile," In *Greece and EC Membership Evaluated, op. cit.*, pp. 189-198; and (in Greek) co-authored with Thanos Veremis, *Ελληνική Εξωτερική Πολιτική Προοπτικές και Προβληματισμοί*, (Αθήνα: Ι. Σιδερής) 1994.

participation in European schemes has been its successful ability to become a full member of the WEU in April of 1995,[242] which, as mentioned previously in this study, is looked upon by some observers as the future defence arm of the EU.[243]

The theme of contrariness and duality of attitudes and beliefs that are indicative of Greek behaviour, as mentioned above, can be applied to the case of the CFSP and more generally to European Political Cooperation (EPC).[244] More specifically, there have been concerted efforts by Greece to promote its security interests within a European framework and to get its European partners to agree on a more definitive role for the EU in addressing security concerns. The attempts on the part of Greece to get a more clearly articulated commitment from its EU partners was initiated in the discussions leading up to the Single European Act (SEA) of 1986,[245] particularly that concerning the wording of Title III of the SEA, "Treaty Provisions on European Cooperation in the Sphere of Foreign Policy."[246] Nonetheless Greece was unable convincingly to cajole her EU partners that a firmer commitment for security and defence issues should be laid down. The inclusion of a CFSP in the signing of the Maastricht agreement, however, was a more positive move on the part of EU members to outline a more substantial plan for coordinated action in the areas of security and defence, and perhaps even leading in the future to a common foreign policy. But here again, the wording and objectives of the CFSP as outlined in the Maastricht treaty remain vague and nondescript under an indefinite time period for actual implementation.[247]

As mentioned above, Greece is currently attempting to get the 1996 Intergovernmental Conference to examine issues of security and defence in Europe and to expand the notion of a CFSP. Greece has stated that it believes that the EU needs to more clearly and explicitly outline the objectives of the CFSP. For example, Greece has stated that a CFSP should include:

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[242]The protocol for the accession of Greece leading up to full membership was signed on 20 November 1992.

[243]*See* "Declaration on the Role of the Western European Union and its Relations with the European Union and with the Atlantic Alliance," annexed to the Treaty on European Union.

[244]P. K. Ioakimidis' study on European political integration includes a chapter on Greek perceptions of EPC and why Greece has pursued a pro-federalist stance towards security and defence issues. *See* (in Greek) Π. Κ. Ιωακειμίδης, *Ευρωπαϊκή Πολιτική Ενωση*, (Αθήνα: Θεμέλιο) 1993, ειδικά "Κεφάλαιο Εβδομο -- Η Ελλάδα και η Ευρωπαϊκή Ενωση."

[245]*See* Yannis G. Valinakis, "Security Policy," In *Greece and EC Membership Evaluated*, *op. cit.*, pp. 199-214, for a discussion of Greece's position regarding the CFSP and her stance towards EPC.

[246]European Commission, *Single European Act*, Title III, Article 30.

[247]*See* Chapter Two 2.3.5 in this study where the CFSP is also briefly discussed.

- the respect of human rights and democratic freedoms;

- the guaranteeing of the EU's external frontiers and territorial integrity as well as the adoption of a 'solidarity and mutual defence assistance clause' ...

- the contribution of the Union to the prevention of conflicts and the consolidation of stability, particularly in the Countries of Central and Eastern Europe, the Balkans and the Mediterranean basin.[248]

Greece has made it clear that it supports further coordination and synchronisation with EU members in the formation of common security objectives and goals.[249] It seems clear that Greece feels more secure and less of a threat from its neighbours (particularly Turkey) being in the EU. As Yannis G. Valinakis has aptly remarked when concluding his discussion about security issues and Greece in the EU:

> Being a member of the EC/EU, Greece enjoys the support of 11 important countries; ... it increases Greece's international position and provides this country with a feeling of security unknown before. Participation in the EC network also guarantees an increased and timely flow of information critical for foreign policy decision-making. It contributes simultaneously to the modernization of Greece's foreign policy mechanism and bureaucratic structures ...[250]

This positive Greek position indicates Greece's wholehearted support for European endeavors that seek to further enhance European security and defence cooperation. The pro-federalist stance has led many observers to pronounce Greece as one of the most ardent supporters of the European project. Therefore, based upon the official posture that the country has taken vis-à-vis European security and defence policies,[251] one could say that there is a substantial degree of legitimacy felt by Greece for these policies (both those presently being initiated and those implemented). Yet there appears to be another side to this phenomenon, lurking behind this apparent enthusiasm.

The other side of the phenomenon pops its head up when one investigates the popular responses in Greece towards the CFSP. Initially there seems to be no contradiction to the official stance of the government: 70% of Greeks surveyed

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[248]Greek Memorandum, "For a European Union with Political and Social Content," Athens, 22 March 1996.

[249]For a discussion of the pro-federal position that Greece plans to hold for the 1996 IGC, *see* *European Report*, 17 January 1996, and (in Greek) Π. Κ. Ιωακειμίδης, *Η Αναθεώρηση της Συνθήκης του Maastricht*, (Αθήνα: Θεμέλιο) 1995.

[250]Yannis G. Valinakis, "Security Policy," *op. cit.*, p. 211.

[251]*See* "Greece Calls for More Mature Union on World Stage," *European Report*, (Brussels: European Information Service) 17 January 1996.

responded that "The Member States of the European Union should have one common foreign policy towards countries outside the European Union."[252] Likewise, some 73% of Greeks polled were in favour of the EU working towards a common defence policy. These figures, however, differ substantially from the standard question asked in EUROBAROMETER surveys as to which areas of policy should be decided by national governments, and which should be decided jointly within the EU. Here some 75% of Greeks polled expressed the belief that 'defence' is a national issue.[253] Equally noteworthy is that 26% of Greeks surveyed do not believe that "The European Union will act in common with respect to a military and defence policy" by the year 2010.[254] Therefore, although a majority of Greeks polled appear to be in favour of cooperating with EU member states to form a broad platform for a common foreign and defence policy, there remains a great deal of skepticism (revealed in a low expectation level) as to whether this can actually be accomplished in the foreseeable future.

These findings reveal mixed attitudes towards issues of security and defence. From one direction, it is discernible that a majority of the Greek people would like the EU to concern itself with issues of defence and foreign policy, as these are considered to be integral for the security of the country. Geopolitically, then, Greeks like to see themselves clearly as part of the west, and would like to be able to rely on the European Union as a pillar of support for the country including those issues relating to security. (Greece has a history as a 'client state' and has often in the past had to rely on foreign powers to act as her protector). Given Greece's geographical positioning in the Balkans, this is suggestive of Greece's particular security concerns with her northern neighbours which have experienced momentous changes in the last few years, while clearly Greece's adversarial relationship with Turkey remains the more pressing security concern and the source of most imminent danger to its territorial integrity. The recent Imia incident again brought to the fore such a danger. Noteworthy as well is that since 1974, Greece spends the largest percentage of its GDP on defence than any other NATO member.[255] Thus Greece has much to gain economically if a European CFSP was put in place which could possibly give relief

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[252]EUROBAROMETER #42 Spring 1995, Figure 8.2. p. B.42.

[253]*Ibid.*, Table 8.1.

[254]*Ibid.*, Figure 9.3. This is the highest percentage among EU member citizenry, even higher than the British 23%. This seems to reveal a great deal of skepticism held among the Greek people as to whether EU member states will be able to develop, and implement, a viable 'common' defence policy in the future.

[255]*See* The International Institute for Strategic Studies, *The Military Balance, 1994-1995*, (London: Brassey's) 1994, esp. pp. 52-54, for exact figures as to the amount of money Greece has spent on defence from 1992 to 1994, for example.

to the Greek state coffers which have to bear the brunt of a huge defence spending budget.

From another angle, however, there is a counter Greek public opinion which sees the sovereign repository for defence being that of the Greek nation-state. The nation-state continues to be perceived of as the primary legitimate actor when it comes to national security and defence. Therefore no matter what CFSP is adopted, there must remain a clause to allow for unilateral action. The Greek notion of homeland -- *patreda*, as mentioned earlier, is very powerful in Greece and this feeds into issues of security and defence which are considered to be national in character. Greeks' sense of national pride and cultural affinity remain firmly rooted in society and play a decisive role in public opinion. Therefore any attempts to create a CFSP must take into consideration cross-national cultural factors, institutional questions, and other firmly implanted ideological and attitudinal variables which influence opinion concerning a traditionally national responsibility such as defence.

Seen beyond the particular case of the Greek nation-state, and perhaps of more importance on a wider level of analysis, it appears that globalisation and interdependence may necessitate cooperation and linkages which undermine some traditional areas of concern once thought to be the sole responsibility of the nation-state. But, when it comes to the thorny question of sovereignty and legitimacy, the nation-state still prevails over international organisations. Differing policy styles and policy processes as well as a host of other historical, institutional and cultural differences -- aspects of a nation-state which come about over time and which tend to be much more difficult to change -- create obstacles and formidable challenges for developing and implementing a coordinated and synchronised defence and foreign policy.

These ambivalent attitudes felt towards a CFSP are also evident regarding the WEU. By attaining full membership in the WEU in April of 1995, Greece has achieved a major goal concerning participation in a defence organisation involving EU members. Although not part of the treaties at present, there is much discussion of the WEU entering within the legal framework of the EU in the near future, although at present it remains an independent international organisation.[256] Greek foreign policy development and content could be substantially affected by membership in the WEU, and if nothing else, Greece will have to become responsive to a more

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[256]*See* Arie Bloed and Ramses A. Wessel, eds., "Introduction, "The *Changing Functions of the Western European Union (WEU)*, (The Netherlands: Martinus Nijhoff Publishers) 1994, esp. pp. xxiv-xxx.

diversified set of security and defence issues and to keep abreast and informed of other member's security and defence interests and concerns. From the perspective of those fully supporting WEU membership, the pro-Europe defenders, there is the belief that other WEU members will become equally as interested in the particular matters that Greece faces given the geographical positioning of the country. In any case the argument continues, this will allow for a larger international forum to discuss specific concerns such as the Cyprus issue. For example, at a ministerial meeting of the WEU on 19 June 1992, Central and Eastern European states (Bulgaria, the Czech Republic, Slovakia, Estonia, Hungary, Latvia, Lithuania, Poland and Romania) had representatives attending and indeed recently, as mentioned, these countries have become 'associate partners' of the WEU. From the perspective of those who are more hesitant to rave of the positive advantages of Greek WEU membership, comes skepticism (slightly reflected in Greek public opinion, revealed through the EUROBAROMETER surveys as mentioned above) as to what tangible results can emerge from WEU membership. Almost all agree that the WEU brings an added sense of security for Greece, but beyond the rhetoric some claim that little or anything will occur within the confines of the WEU to visibly solve any of Greece's outstanding differences with her neighbours. Once more, the issue of security and defence appears nestled in the arms of the nation-state and from where it attains its legitimacy.

Obviously the fall of Soviet communism has affected international organisations such as NATO whose inception was in response to the creation of a Soviet superpower and the perceived threat this had for north-Atlantic states. NATO as an organisation has undergone, and continues to undergo, dramatic structural and ideological changes in light of world events which have occurred over the last ten years. A shift in emphasis from a defensive mode to one of cooperation and collaboration on more general issues of security and defence now prevails. Other international organisations are experiencing a similar redirection, and the WEU will nonetheless follow this move towards accenting its cooperative endeavors and enhanced interdependency among its members. This is all the more reason why the issue of legitimacy, and where citizens perceive it lies, needs to be investigated.

An international organisation such as the WEU needs to acquire not simply a symbolic role but a functional and substantive one if it is to be perceived as legitimate. Neither the CFSP nor the WEU at present have proven themselves to be functionally effective organisations which means that citizens can not perceive them as politically legitimate. Greek citizens will have to be convinced with deeds and

not simply promises that a CFSP and the WEU will truly secure their territorial integrity when and if necessary and actively promote peace in Europe.

8.5 Conclusion

Based upon the above discussion, some concluding remarks seem to be in order to reiterate how the security and defence dimension of legitimacy is manifested in the case of Greece. Issues of security and defence in Greece remain a sensitive and primary concern for the country, particularly as new developments continue to unfold in the Balkans -- the 'powder keg of Europe.'

First, it seems evident that owing to her geography, Greece is required to maintain a multidimensional and multifaceted foreign policy, partially due to the country's geographical location and partially because of membership of the European Union. This means that any cooperation with the EU in the form of a CFSP will have to continue to allow for a substantial degree of unilateral action and decision-making on the part of the Greek nation-state. Any other agreement with the EU will not receive the degree of legitimacy, either by the government in Athens (irrespective of which party is in power), nor with the Greek public at large which is required for such a policy to be effectively implemented. As a full member of the WEU, Greece is now in a position to make known her security and defence concerns and to internationalise such issues as the Cyprus issue and disagreements with Turkey in the Aegean. This could possibly expedite a peaceful and mutually agreed upon settlement to these outstanding issues.

Greece likewise appears to be maneuvering to seek a more comfortable niche within the EU, so as to be able to keep her EU partners informed of and aware of the particular dangers and problems that the country faces while participating in EU endeavors for an integrated Europe. Prime Minister Kosta Simitis's recent tour of European capitals in the aftermath of the Imia crisis was indicative of one such attempt. This means that organisation and the development of necessary infrastructures of diplomacy and communication on the part of Greece to facilitate such exchanges is prerequisite. It has recently become more apparent to Greece that her EU partners may be more sensitive to and aware of Greece's particular security and defence concerns if better channels for communication allow for an interchange of ideas and opinions concerning security and defence issues. This could substantially increase the level and degree of legitimacy for EU proposed policies in

Greece since the Greek government and Greek public alike would be better informed of EU initiatives and vice versa.

Second, Greece's seemingly 'schizophrenic' attitudes towards questions of security and defence need to be further investigated and examined to shed light on this enigma. A more in-depth study seems warranted to elucidate which socio-cultural and political variables are involved in this bicephalous separation of thought and ideas versus emotions and actions as concerns such issues as nationalism, security and defence. As to how this seemingly two-headed perception of the EU may affect the degree of legitimacy for the EU as its plans for the future expand into new policy areas, remains to be seen. It may be possible that this duality of attitudes will dissipate over time to be replaced by a more uniform receptivity to EU goals of a united Europe. Yet likewise there remains the possibility that Greece's fickleness will continue to perplex its EU partners and foreign observers alike. Much depends upon how far Greece is able to meet the challenges of EU integration, particularly economically, and how successful she is at modernising the country which requires a political leadership that will take bold steps in reorganising Greece's infrastructures and concomitantly reorienting popular attitudes and practices.

Third, Greece has an historic opportunity to play a decisive role in Balkan affairs in the aftermath of the demise of communism. Yet there remains a great deal of instability in the region which also creates uneasy relations among Balkan neighbours who have distinctive historical, religious, ethnic and cultural backgrounds. If Greece is able to sustain peaceful and mutually beneficial relations with all of her neighbours, including Turkey to the east, then indeed she will have proven that her democratic institutions and practices are well consolidated and anchored. Likewise she will have proven that she is capable of developing a mature foreign policy. The potential for economic activity leading to prosperity between Greece and these newly created (newly independent) states is great, if Greece can maintain friendly working relations with them. This will also enhance a sense of legitimacy in Greece for policies which are able to promote such cooperation. A leadership role in the Balkans would appear to be the most advantageous stance that Greece could take, rather than simply reactive, knee-jerk responses to particular incidents as they unfold. Presently as the only member of the EU in the Balkan region, Greece has the opportunity to capitalise on its relationship with the EU and can act as a bridge between the *west* and the Balkans to the advantage of both. These types of activities and expressions of leadership could certainly inspire a greater degree of legitimacy for Greek policies both at home and abroad.

Finally, the issue of security and defence in Greece and the bi-polar attitudes towards these issues unveils a larger question concerning legitimacy. The Greek case reveals that there is a need for Greece to rely on European and other international organisations to ensure a level of security for the country. Therefore, on the one hand, she relies on and needs to participate in these international organisations to protect her territorial integrity, which means she is dependent on them. Yet on the other hand, most citizens still perceive the nation-state as the legitimate actor which should protect and secure its citizens from foreign aggression. However, Greece will have to weigh these two variables and contemplate the trade-offs which are inevitable. Letting other organisations make decisions concerning foreign policy and defence considerably blurs the lines between the national and international, between the domestic and foreign spheres of policy-making. A tension has thus arisen between: (a) the nation-state which can no longer handle entirely on its own such pressing concerns as security and defence, but where legitimacy is safekept; and (b) the EU and other international organisations, which are now willing and perhaps best able in some areas to develop a sturdier bulwark for security and defence, but which lack the requisite degree of popular legitimacy. However, this dilemma does not appear to be merely a straightforward case of transferring the locus of where legitimacy lies, in other words moving it from a national to an international level, although this in itself would be a formidable feat. Rather, a more complex dialectic of forces and actors have come on to the international scene which are causing a mutation of national and international responsibilities such as that of security and defence. As has been demonstrated in this study, the EU is believed to be one such actor. At present there appears to be no simple answer as to how these actors will acquire a sense of political and social legitimacy and how this will affect a member state such as Greece. Part of the problem of examining such questions is due to the lack of an appropriate vernacular which could be utilised for such investigations, and this indeed creates obstacles for social scientists attempting to explore an ever-important question such as that of legitimacy.

Chapter Nine

CONCLUSION

This study has investigated both political and social legitimacy by offering a theoretical differentiation of the concept along five dimensions: those of civil society, democracy, the welfare state, the economic environment, and security and defence. Joseph Weiler's distinction between 'formal' and 'social' legitimacy has been adopted and expanded to relate the question of legitimacy to the European Union and to the case of a member state, that of Greece. As has been demonstrated throughout this study, the concept of legitimacy is a dynamic one, and what the concept has meant and how it has been examined has changed over time, as has the historical context in which the question has been raised. Since legitimacy is a process, it is difficult to pin down and define. Therefore any scheme developed to examine this concept must be flexible and pliable to keep pace with the inherent metamorphosis of the concept.

The first part of this study began by applying the five dimensions of legitimacy to the European Union. A specific sequence of the dimensions was selected for this examination of legitimacy and the EU so as to create a more comprehensive and specific investigation of the same. Since the political and economic dimensions of the EU legitimacy question are at the foreground of current debates, it seemed timely and auspicious to place them first. As welfare concerns are tied to the economic environment of the EU, those dimensions were placed next. Civil society and security and defence matters followed. The aim has been to apply these five dimensions of legitimacy to the EU as a vehicle for exploring these same dimensions for one of its member states, Greece.

The investigation into legitimacy and the European Union revealed several challenges which the EU currently faces in its endeavors to achieve further integration of member states. Lacking both a degree of social and political legitimacy in its institutional make-up and in its policy and decision-making procedures has meant that the EU has become susceptible to criticisms and wavering degrees of popular support for its outlined goals among the citizens of the Union and among European leaders alike. As has been laid bare in this study, the 'democratic deficit;' at best mixed forecasts emanating from the economic environment; and the prevalence of nationalism in fields of welfare and security/defence are merely a few

areas where the legitimacy question seems especially acute and which the EU can no longer afford to ignore. Attempting to create a European 'common social space' has likewise proven to be a formidable task which has met up with a mix of successes and failures.

However, the examination of legitimacy and the EU in this study further revealed that the question of legitimacy needs to be sought within the day-to-day operations of EU institutions and within its policy-making and decision-making procedures rather than assuming that there is a single factor (or a single set of factors) which can be established which directly feeds into the question of legitimacy. Put differently, an investigation into the question of legitimacy in this study has shown that a *variety* of factors and forces are involved in the question of legitimacy and these either enhance or diminish the degree of legitimacy that the EU possesses. This same principle holds true for its member states.

What also needs to be acknowledged is that the EU currently is neither national nor supranational but instead a new kind of mixed polity for which the social sciences lack an appropriate language for discussion. Simply applying the language and laws of the nation-state is insufficient to examine such questions as legitimacy. Ideas of what is democratic for example, are based on how this notion is understood and applied at a national level rather than how this can (or should) be understood and applied at an EU level. Such dilemmas further necessitate the need to develop a scheme which can take into consideration such idiosyncrasies.

Moreover, further perplexing questions arise as one delves deeper into a discussion of the EU and the question of legitimacy. For instance, one may ask: can the EU be perceived of as legitimate if it does not express the interests and views of a majority of those who it is supposed to represent? Can the EU possibly ever actually express the interests and views of the 'citizens of the Union'? What types of problems does further enlargement of the EU pose for the question of legitimacy? One is required to address these and other queries if an accurate picture of the question of legitimacy is to surface.

Primarily, however, the examination of the European Union, although a fascinating subject unto itself, was conducted largely to enlighten a discussion of the relations between its institutions and processes and those of its most southeastern member, Greece. Greece is a unique case as she is unlike her European Union partners in many ways. As has been demonstrated throughout this study, Greece has distinct

cultural and historical influences which derive from her Byzantine and Ottoman past. Greece is the only EU member of Orthodox Christianity, and which has the highest level of religious homogeneity among its partners. Greece does not share a land border with any other EU partner and is geopolitically situated in an historically volatile area of Europe which poses particular security dilemmas for the country.

Greece's marriage with the Community, now the Union, has been somewhat of an uneven relationship. By joining the Community as a full member in 1981 Greece was able to secure her democratic institutions -- after a turbulent Second World War, an ensuing civil war, and from 1967-74 a dictatorship -- and establish her place among the western states of Europe. As has been revealed, for many, membership in the Community allowed Greece to redefine and reorient her national identity and become more 'European.' But her distinguishing socio-cultural characteristics, her inability to modernise her state infrastructures -- the very way Greeks define themselves as a nation -- and defiant political behaviour towards implementing Community economic policies have often resulted in Greece's ostracism by her EU partners. Additionally, when Greece joined the Community in 1981 an economic recession had affected most of Europe while Greece was caught up with her own economic dilemmas inherited from the previous decade. This economic climate exacerbated Greece's difficulties in synchronising and coordinating her economic activities with that of her new partners. Likewise, the policies which were pursued by Andreas Papandreou's PASOK party during Greece's first eight years in the Community -- policies of economic inefficiency and waste, state overexpansion and the perpetuation of clientelist practices -- further exaggerated and stretched Greece's distance from other Community members and from the process of integration. For many observing Greece and its relationship with the Community retrospectively, the problem has been defined in specific terms: Greece never did 'integrate' (structurally) nor 'assimilate' (attitudinally) into the Community, it simply joined, without undergoing the necessary transformations which would have allowed her to 'synchronise' and 'coordinate' her policies and practices with those of her partners. This has resulted in wavering feelings of legitimacy on the part of Greeks for the EU and vice versa.

There is a temptation when studying a country like Greece to try to draw comparisons with other Mediterranean member states who share a similar geographical setting. However, although there certainly are similarities which one can draw out by studying Greece, Spain and Portugal as a group -- for example, they all joined in the decade of the 1980's; they secured democratic governments in the

mid 1970's after having previously experienced dictatorships; their industrial sectors are less developed when compared with their northern EU partners -- there are likewise numerous differences. Greece stands out since she was the first of the three to join which meant that Spain and Portugal had a bit more time to prepare macroeconomic policies in tune with those of the Community and adjust their infrastructures for accession. When joining in 1986, Spain and Portugal had the advantage of entering at a time when Europe was beginning to recover from the economic recession which had begun in the 1970's with the oil crisis and which lingered on into the mid 1980's. Likewise Spain and Portugal, sharing common borders (and a religion found among existing member states), were ultimately able to integrate (economically and in terms of cultural assimilation) more easily into the Community than was the case with Greece.

Furthermore Greece was never an imperial power in the modern era as was Spain and Portugal who had control over colonies and who also had developed working relationships with other nation-states of northern and western Europe. For example, the Portuguese from the seventeenth and eighteenth centuries had both thriving commercial and political ties with Great Britain which allowed the British a preferential access to Portuguese markets in return for British military protection. The Portuguese were able to extend their empire into Africa in the nineteen and early twentieth centuries, colonising for example Angola, Mozambique and Guinea-Bissau. The Spanish likewise continued to be a formidable power to be reckoned with in Europe throughout the eighteenth and nineteenth centuries, while in contrast Greece in the 1830's was trying to consolidate itself as a newly independent nation-state. In other words, Greece lacked many of the 'European' characteristics that her Iberian and Spanish southern EU member partners had acquired in the previous two centuries which tied them more closely to western Europe and which paved the way for their eventual incorporation into a European Community in the twentieth century. Greece emerged from an eastern empire which coloured its society and politics and which would markedly distinguish her independent make-up from those nation-states with whom she would in the late twentieth century refer to as EU *partners*.

Part II of this study began applying the five dimensions of legitimacy to Greece by beginning with an examination of Greek civil society. What has been emphasised is Greece's underdeveloped civic environment and the persistence of socio-cultural practices from the past. Clientelism, a mistrust of authority, and the role of the state as patron employing large numbers of citizens are but a few of the legacies that Greece has inherited from Ottoman rule and which have now taken on a modern

guise. These characteristics have created a sense of suspicion and weariness of voluntary or other organisations not sanctioned by the state or not under the tutelage of one of the major political parties. The role of the Greek Orthodox Church and the family are two social structures which continue to greatly influence the social make-up of contemporary Greek society which have been brought into the discussion. Therefore these socio-cultural features of Greek society weigh heavily into an explanation of social legitimacy in Greece as has been demonstrated throughout this study. From the Greek point of view, these are the defining characteristics of the country, many of which are perceived of as built in features. For the EU, however, the prolongation of such practices and habits are proof that Greece has been unable to compromise its differences and assimilate into the Union. These traditional characteristics are those which likewise undermine the legitimacy of a *modern* nation-state.

The political environment in Greece likewise has characteristics peculiar to it as was revealed through an examination of both the formal aspects of the Greek political system and a look at political culture. By investigating the structures of the Greek political system and how they function, the centralised nature of the system became obvious as did the overwhelming degree of functional power that the Prime Minister and his cabinet has in the policy-making and decision-making processes. The predominance of political parties within the political arena, despite the increased disaffection for them, remains an important feature of the Greek political environment. The current electoral system with its discriminatory threshold levels and its frequent modification based on the self-serving interests of the government in power were also cited. A steady rise during the last six years of those who are dissatisfied with the operation of democracy in the country revealed that a growing number of Greek citizens are not content. Several recent political scandals as well as other incidents were cited as possible explanations for this rise in dissatisfaction with the operation of democracy. Nevertheless, the democratic process has withstood various pushes and pulls during the last fifteen years and has remained intact which seems to confirm that Greece has become 'democratically consolidated.' The inability to decentralise and devolve power to other tiers of government was also pointed out as a shortcoming of the Greek political system, although as was mentioned, this is now being discussed by the new PASOK government under the Prime Ministership of Kostas Simitis.

By applying Gøsta Esping-Andersen's and Stephen Liebfried's schemes of welfare state regime types, Greece was characterised as a 'rudimentary' welfare state and her

particular features were explored. Noteworthy are Greece's labour market structures which include a large self-employed work force and approximately one-fourth of the employed population still involved in agriculture. The Greek state has acted as an employer via a large public bureaucracy, but welfare state policies in Greece are undeveloped and uneven and have not adequately contributed to establishing social policies to meet the needs of citizens. The various particularities of the Greek welfare which have been highlighted in this study: the absence of a general basic minimum level of subsistence; lack of harmonisation of health insurance plans and the extent to which they are subsidised by the state; and the continuing politicisation of welfare state policies, have revealed some of the dilemmas of constructing social welfare policies in Greece. The recent debates over privatisation, particularly of traditionally state owned utilities, were likewise brought up. This is a topic which the EU has been monitoring closely in Greece, as prerequisites of free market competition underlie EU integrative policies. However, this is an issue which has been especially complex in Greece due to public worker disagreement with privatisation plans which stem back largely to the perceived role of the Greek state as provider and as employer. These perceived politically and socially sensitive issues for Greeks have not been viewed as sympathetically by the EU as Greeks would have hoped, as the EU has often posed the ultimatum that Greece either privatise or else shut down public enterprises.

Furthermore, EU pressure emanating from Brussels to Athens is most conspicuous in economic matters, as a discussion of the economic environment in Greece revealed. Through a variety of funding projects, particularly the First and Second Community Support Frameworks (CSFs), the EU has attempted to redress Greece's economic distance from the Union with varied success. A brief review of the PASOK era under Andreas Papandreou from 1981-89 laid the setting for a more comprehensive understanding of the difficulties Greece currently faces in meeting the criteria for European Monetary Union and more generally for economic convergence with member states. Although both the media and recent studies have emphasised the economic dimension as pre-eminent for any discussion of the future of the EU and the question of legitimacy, the case of Greece uncovered that economic efficiency is only one of many factors that feeds into the question of legitimacy and is intimately wrapped up with political and social factors which can not be separated out. The example of Greece is also distinguished by its large underground economy which plays a decisive role in the economic environment in Greece and in sustaining a standard of living among its citizens which most likely could not be presently

provided by the legal economy. This particular dimension of legitimacy in Greece has been given much attention by scholars and observers of the case of Greece (including those from the EU), but many studies have been unable to link up the socio-cultural and political factors embedded within. The EU clearly wants Greece to implement a more strident economic policy leading to economic convergence, while Greek governments seek to demonstrate that there are formidable obstacles from the domestic arena which are thrown into the path of any such attempts. Clearly there are political costs of such policies which weigh in heavy and the unspoken truth remains that unpopular governments can be voted out of office come election time.

As things presently stand, Greece will not be able to join the EMU in 1999. As the situation now appears, Greece's economic policies for economic convergence are indeed ambitious, and the present Greek government as well as EU officials do not foresee Greece meeting the EMU criteria in 1999. Nevertheless, Greeks have expressed their disapproval of a two-tier or two-speed Europe with those members unable to attain monetary union being relegated perhaps permanently to secondary status. However, when and if other EU partners are able to move ahead in 1999 to a full-fledged EMU, these debates will be at the forefront of discussion. Nonetheless Greece's poor economic record, and the political consequences of this, will most likely prohibit her from being a persuasive influence one way or the other.

The last dimensions of legitimacy applied to Greece, those of security and defence, disclose additional clues to the question of legitimacy by exploring Greece's geopolitical circumstances including the repercussions of her geographical setting, her sense of national identification, and her participation in the EU Common Foreign and Security Policy (CFSP) and the Western European Union (WEU). Just as the discussion of the welfare state opened up the matter of sovereignty and what have been considered traditionally national responsibilities, defence and security matters increasingly indicated the extent to which certain areas are considered to continue to reside within the confines of the nation-state despite increasing pressures emerging from the forces propelling globalisation.

The break-up of the former Soviet Union and its effects on Europe as a whole have recently become the topic of much academic debate. How Greece has been affected by these changes, particularly the disintegration of the former Yugoslavia and the creation of an independent 'Republic of Macedonia' have been outlined. Two overriding considerations emerge from the historical transformations which occurred

at Greece's doorstep. First, Greek national sentiments arose in reaction to enflamed ethnic conflicts bursting forth within neighbouring territories and by what was considered among Greeks as premature official recognition of these newly independent republics by some EU members. Second, a Greek chord was struck rekindling the (high-strung) age-old question of 'Macedonia.' Furthermore, the economic blockade which Greece erected against the Former Yugoslav Republic of Macedonia (FYROM) sparked off tensions between Greece and the EU which further aggravated relations between the two.

Other issues surrounding security and defence such as immigration dilemmas, which have likewise become a concern for many European countries, are for Greece predominantly attributable to the influx of illegal Albanians from the north. However, the most potentially explosive security dilemma for Greece continues to be her rival to the east, Turkey. The recent conflict in the Aegean on the islet of Imia has again brought up the threat of Turkish aggression which Greeks fear most. The inability of the two countries to reach definitive agreements on territorial boundaries (both air and sea) and the continuing partition of Cyprus are open wounds which constantly perpetuate animosities between these two NATO members. The signing of a customs agreement between Turkey and the EU in 1995 brought the EU in as a third party into these predominantly bilateral disagreements between Greece and Turkey. However, the EU's indecisiveness in taking action in matters concerning foreign policy and diplomacy have resulted in other third actors, primarily the United States, stepping in to defuse any possible conflict which may arise between Greece and Turkey. Nonetheless, the EU's ineptness in foreign and defence policy matters was made more apparent by this recent incident in the eastern Aegean as was the EU's lack of political and social legitimacy in these areas. Greece's persistent calls for a more coordinated European CFSP may be taken up at the 1996 Intergovernmental Conference, but it is too early to predict what the outcome may be. Greece's participation in the WEU is perceived by Greeks as a way to further safeguard her territorial integrity from encroaching intruders, but there are no visible signs yet that such membership will in any way guarantee and secure Greece's borders from attack.

Working on the assumption that questions of legitimacy can best be uncovered by exploring the everyday operation of political, social and economic institutions, this study has endeavored to outline a method for such an investigation. Both the European Union and one of its member states, Greece, have been unique and engaging examples which have illustrated and made more concrete a theoretical

conceptualisation of legitimacy. Legitimacy is not something that is easily quantifiable nor is it easily detectable. Yet its ubiquitous nature has constantly fascinated and eluded social scientists in the modern era and will no less continue to do so into the next millennium.

APPENDIX 1

Legitimacy and the Case of Greece: A Summary Historical Chronology

Legitimacy and the Case of GREECE:

A Summary Historical Chronology

DATES	EVENTS	RELATION TO THE QUESTION OF LEGITIMACY
1821	25 March: Successful Greek war of independence begins	Beginning of legitimate recognition of an autonomous Greek state
1832	Greece officially recognised as an independent state by Sultan	Consolidation process begins ('Grand Idea'); Greece adopts western constitutional practices; *formal* legitimacy
1833	King Otho arrives in Athens	Greece under a monarchical regime dominated by foreign powers and thus independent in a 'nominal' sense only
1863	George I becomes King	new constitution limiting the power of the king; *formal legitimacy*
1915-1922	Two rival governments formed (King Konstantine vs. Eleftherios Venizelos), the National Schism; Asia Minor Catastrophe	Formal legitimacy crisis occurs; 'Grand Idea' put to rest but hostilities with Turkey continue; polarisation of party politics which will affect the political culture of the country throughout the 20th century, *social* legitimacy
1936-1941	August: Ioannis Metaxas Dictatorship	This regime lacked both *formal* legitimacy (was anti-democratic) and *social* legitimacy as it had no real popular base of support
1941	April: Germany invades Greece during WWII; Communists form EAM -- National Liberation Front, and ELAS -- National People's Liberation Army	Foreign occupation of the country; exogenous factors affecting indigenous sense of legitimacy; considerably large percentage of popular support for EAM/ELAS
Dec. 1944	Dekemvriana: Internal debacle between ELAS forces which attempted to take over power vs. Georgios Papandreou's government which was supported by the UK and its allies	*Formal* legitimacy crisis brought about by the wars end and the radicalisation of ELAS
1946-1949	Greek Civil War	Polarisation of party politics reaches a climax; hostilities and animosities fomented during this era have affected the political culture in Greece throughout the post-war epoch; *formal* legitimacy and *social* legitimacy
1947- 1974	Greek Communist parties outlawed	Illegal operation of the forces of the Left in Greece

1967-1974	Military Junta: Colonel Papadopoulos	'Illegitimate' anti-democratic government usurps the reigns of power; the forces of the Right become associated with nondemocratic practices in the overthrowing of the military junta
July 1974	Fall of the military junta; abolition of the monarchy; 20 July Turkish invasion of northern Cyprus; 24 July Konstantinos Karamanlis sworn in as Prime Minister	'Legitimate' government restored; beginning of an era of democratic consolidation and democratic stability in Greece; security and defence issues with Turkey come to the foreground of discussion; Karamanlis forms conservative New Democracy party which becomes one of the two leading political parties in Greece in the post-junta era.
Sept. 1974	Andreas Papandreou forms PASOK party	PASOK became a legitimate actor both *formally* (within the political system) and *socially* as it began as a populist movement as much as it did a political party.
1975	June: new constitution formed	*Formal* legitimacy
Jan. 1981	Greece becomes 10th member of the EC	Greece gaining legitimacy (both *formal* and *social*) by being a member of this *western club* ?
1986	constitutional revision	Functional powers of the President of the Republic reduced, *formal* legitimacy
1989	June national elections: no party wins a majority of votes to form government, crisis averted due to a conservative-communist coalition from July to Oct. 1989 which had as a goal *catharsis* in order to restore a sense of *social* legitimacy in Greece Nov. 1989 to Feb. 1990: Ecumenical government consisting of the three major parties -- New Democracy, PASOK, and Synaspismos	This caretaker government was formed as an interim government to oversee elections in March of 1990 which saw a victory for the New Democracy party led by Konstantinos Mitsotakis; *formal* legitimacy
March 1990	K. Mitsotakis's ND party wins the national elections	Papandreou's PASOK party under siege: Koskota scandal and allegations of corruption involving PASOK MP's and party cadres precipitate a loss of social legitimacy for the party
June 1993	K. Mitsotakis's government falls from power before serving out full-term. Antonios Samaras forms a break-away party 'Political Spring'	Internal ND 'legitimacy dilemma' as Samaras' Political Spring party reveals disenchantment with the ND party
Oct. 1993	PASOK wins the national elections, Andreas Papandreou back in power	PASOK party reacquires its sense of legitimacy
January 1996	Andreas Papandreou resigns as PM due to illness; Kostas Simitis voted in as new Prime Minister	PASOK party mechanism activated to select a new Prime Minister; first time a PASOK government is formed without Andreas Papandreou as Prime Minister; *formal* and *social* legitimacy

APPENDIX 2

Published Paper

"The Question of Legitimacy," *Journal of Modern Greek Studies,*
The John Hopkins University Press, Vol. 13, No. 2, 1995, pp. 251-269.

The Question of Legitimacy

Tina Mavrikos

Abstract

Discussions concerning the nature of legitimacy have returned to the center of academic debate in this twilight period of the twentieth century. Theories of the concept of legitimacy that developed at the beginning of the twentieth century and were refined throughout the second half now appear to be inadequate to explain the dynamics of legitimacy and the legitimation process. By acquiring more power through the accession of new members, the European Union is an example of a new political formation that renders inadequate previous explanations employed to analyze legitimacy. A new approach is outlined here by taking four basic dimensions—civic society, democracy, the welfare state, and security/defense—that are then related to the EU with the hope of shedding new light on which set of forces is involved in legitimation. Observations are also made on how Greece may be related to these dimensions.

Introduction

There has always been a problem within the social sciences of how to define difficult concepts such as legitimacy and legitimation. In fact, the many meanings of these terms reflect the dilemma of relativism that is involved in their definition. Among the array of definitions are subjective, moral, and evaluative interpretations. This obliges those who study these concepts to formulate their own definition in order to allow others to understand their analysis. Yet it is this very dilemma that now confronts those who endeavor to find an appropriate definition of these concepts for the European Union (EU) and its member states in the post-Maastricht era and the era of accession of new members.

Restated, the dilemma is: How do we define—or redefine—the concepts of legitimacy and legitimation in a way that relates them more appropriately to the EU and its member states? This question seems more urgent now than ever, since the EU is continuing to expand into new policy areas that will intimately affect the citizens of EU member nation-states, and since continuing enlargement of the community will mean that new members (some accustomed to very different ways of making decisions) are likely to challenge existing procedures.

Journal of Modern Greek Studies, Volume 13, 1995.

The EU is currently in a crucial phase of the process of creating a united Europe as envisaged in the TEU—*Treaty on European Union* (Commission of the European Communities 1992). This decisive phase will require a sense of legitimacy on the part of all involved (both directly and indirectly) if the goals of a European Monetary Union (EMU) and a Common Foreign and Security Policy (CFSP) are to be achieved, as well as many other policy areas outlined in the TEU. A notion of legitimacy and the process of legitimation whereby this legitimacy is created are prerequisites if such policies are to be effectively implemented.

One needs to go beyond the rather simplistic idea that legitimation as it refers to the EU consists merely of the "acceptance" of a set of specific policies. The EU has doubtlessly acquired a degree of "functional" legitimacy in its member nation-states. This means that it has a policy agenda and that tangible results can be reviewed and evaluated. For example, Greek citizens surveyed in *Eurobarometer* (1993b) show a relatively high level of support for the EU, an attitude partially explicable because Greece has received a sizable amount of EU funding—990 million ecu—from the Delors II, 5-year plan for 1994–1999 (Verros 1994).

However, the EU will require much more than functional legitimacy if it is to achieve its goals. Whether or not particular policies are viewed as *acceptable* is not enough. The more profound question now being asked is whether the EU should have the authority to make binding decisions in certain areas once reserved for national governments and, if so, under what conditions this authority should be accepted.

The notion of democracy has been at the root of the legitimation process in Western European nation-states at least since the end of World War II. It was a prerequisite for original membership in the EEC as well as for later membership. However, discussion continues today about whether the EU's own institutions operate under "democratic" principles. As British MP David Martin has said (1991:22), "If the EC was a state and applied to join the Community, it would be turned down on the grounds that it was not a democracy." Thus the EU is experiencing a "democratic deficit" owing to a realization that its organs fail to adhere to "democratic procedures" in either policy making or decision making, at least as far as those processes are understood in Western European nation-states. Yet the European Parliament (EP) that was elected in June 1994 seems set on testing its new authority gained through the TEU, which requires parliamentary consent to specific proposals before they are implemented. The EP's close vote in July 1994 for the newly elected president of the Commission, Jacques Santer—260 to 238, with 23

abstentions (Barber 1994)—and the interrogation of new commissioners in January 1995 reveal that the EP is determined to use its influence to the maximum. But the EP's limited powers remain, as does its role as primarily an advisory body.

What must be recognized is that the EU is not a nation, a state, or an international organization as those terms have come to be defined. It is something else. Specifying the nature of that something else is part of the legitimation problem. Neither of today's quasi-definitions—that the EU is a union on the road to becoming federal, and that the EU is a community of nation-states—sheds much light on the question of how it may be legitimized by the member governments and their citizens. What may be needed is a fresh look at the concept of legitimacy as it applies to the EU and its member nation-states as more powers and areas of competence are transferred from the nation-state to the EU.

What follows is an attempt to analyze the question of legitimacy and the legitimation process as these apply to the European Union and its member nation-states, while making some observations about Greece.

Max Weber

Of the numerous contemporary analyses of legitimacy and the legitimation process found in the social science literature,[1] a great many draw on the ideas of Max Weber, whose original "three pure types of legitimate domination"—traditional, charismatic, and legal/rational rule—have continued to be utilized as a springboard for further examination of the question of legitimacy and the process of legitimation. Although written in a different era and under quite different circumstances, Weber's examination of the sources of legitimacy—particularly legal/rational rule—may serve as a starting point for an inquiry into the principles associated with legitimacy both on the EU level and on the level of the member nation-states.

In his writings concerning legal rule, Weber took as his point of departure the then just developing technocratic character of the society he was analyzing in order to strengthen his supposition that, along with the development of capitalism, bureaucratization was going to become the decisive force in the organization and administration of modern society. He was convinced that legitimacy could be based on formal, legal procedures. Laws enacted by legal procedures would be perceived as legitimate by citizens, as would "the right of those elevated to authority under such rules to issue commands (legal authority)" (1978:1.215). What must be borne in mind, however, is that Weber outlined the threefold explanation of the sources of authority as "ideal" types, recognizing that none could exist in "pure" form.[2]

In the post-TEU era of European integration, however, the political climate in Europe and the nature of relations among political actors and institutions have changed spectacularly since Weber's time. No one would argue against the notion that the bureaucratic apparatus in Western European nation-states continues to be of utmost importance in the organization of administrative operations and that in some cases—for example, Greece—it continues to expand as governments take on more welfare and regulatory responsibilities. But the expansion of the bureaucracy has been accompanied by a concomitant recognition by political leaders that technocratic "expertise" cannot alone create legitimacy for public policy. It has also been generally recognized, both by those directly involved with the EU integrative process and by observers of that process, that EU governance can no longer be legitimized solely by the logical, rational characteristics of technocracy (see Wallace 1994), especially as those characteristics were once perceived by Weber. One must move beyond Weber's analysis of legal, rational authority, which can be expanded to include other principles currently associated with legitimacy, such as (a) the notion of "civil society" as it has developed in Western Europe, (b) the so-called "crisis of democracy,"[3] and (c) the role assumed by the welfare state in the latter part of this century. Still important in European affairs is the issue of security and defense that has remained within the realm of the nation-state to a large extent but that continues to act as a dynamic affecting the question of legitimacy within the EU and its member nation-states.

Civil society

As Table 1 demonstrates, one of the immediately identifiable principles associated with the issue of legitimacy is the much discussed idea of civil society.

As with "legitimacy," the expression "civil society" has been used in a variety of disparate ways to describe society as it has developed in the Western world. Walzer writes that the "words 'civil society' name the space of uncoerced human association and also the set of relational networks—formed for the sake of family, faith, interest and ideology—that fill this space" (1992:89). Others have argued that civil society "can only be located in the economic sphere" (Gellner 1991:498). Arato and Cohen define it as "a sphere of social interaction between economy and state, composed above all of the intimate sphere (especially the family), the sphere of associations (especially voluntary associations), social movements, and forms of public communication" (1992:ix). Moreover, debates continue to rage regarding which characteristics distinguish the

Table 1. Principles Associated with Legitimacy

Principles associated with legitimacy	National level (EU member state)	Supranational level (EU)
(a) civil society	developed (exceptions: Greece, Italy)	"common European social space" 1989 social charter TEU, Agreement on Social Policy (1992) public (European) consensus/knowledge/ awareness that the "social" is weak
(b) "democracy"	questioned	"democratic deficit"
(c) welfare state	unable to handle demands; but only a minority of national public is willing to see health and social welfare policies addressed at EU level	vast majority of Europeans see scientific and development policy (i.e., environmental policies) best handled at EU level; European public has become convinced that technical solutions are best sought at EU level but not social welfare policies (i.e., health and education policies)
(d) security and defense	a national defense policy still considered integral; Common Defense and Foreign Policy supported to a degree; but allowance for unilateral action a must	obstacles in creating a common security and defense policy, especially since geopolitics results in different concerns among EU members; there remains the question of the role of other organizations: NATO, West European Union (WEU), etc.

"private" from the "public" sphere within civil society, the answers being quite different since they depend on one's political position either to the left or the right.[4]

Despite the controversy that continues about how to define "civil society," one detects in the citizens of Western European nation-states,

especially those in northwest Europe, a well-established conception of civil society. Social, political, and economic associations and interest groups became well formed in these societies during the course of this century, leading to the ripening of civil consciousness. The same is not true, however, in Southern European nations such as Greece and southern Italy, which fail to share with their northern EU partners the same progressive evolution of civil society. In these nations one sees an incongruity and, often, a commingling of the "private" and "public" spheres (see Table 2).

This commingling of the private and public can be explained partially in terms of the patron-client networks still in operation today in Italy and Greece. Party politics and party patronage dominate political relations, for example between "private" citizens and "public" officials. This has retarded the development of interest groups and associations; economic, political, and even issue-oriented organizations have therefore been much slower to form in the nation-states of Southern Europe, and in some cases are still in embryonic form. Civil society in the southern European nation-states is distinguished from that of the northern nation-states by structural differences as well as by diverse historical factors.

Be that as it may, one needs to identify the links that exist between the legitimacy issue and an understanding of civil society. Relevant to the sources behind legitimacy are the degree and extent of civil society's growth or lack of growth, its inclusive institutions, and its relationship to the state. Wherever the conception and ideal of civil society and the "social" have been well cemented into the foundation of society through political, social, and economic structures, as in the northwestern EU member nation-states, one discerns a degree of legitimacy concerning the political establishment that is lacking in the southern nation-states. Wherever the idea of modern civil society, with its institutions and associations, is less well formed, as in Greece, one finds either that the gaps are filled by traditional institutions, other structures, or practices that legitimize the status quo, or that a dilemma of legitimacy arises. In either case, the dynamics of civil society need to be added to the legitimacy equation.

In attempting to apply the concept of civil society to the EU, one is immediately confronted with several obstacles, one of which is definitional. Characteristics of "European" civil society are difficult to distinguish since, as noted above, structural differences exist between North European and South European member nation-states. Besides visible social disparities among the EU partners, there is the difficulty of sensing a common social environment when so many different ideas exist of what this "common" environment should be. In sum, now the

Table 2. The Greek Nation-State

(a) *Greek civil society:*
- less developed notion of civil society than in northern EU partners
- patron-client relationships still operating
- "private" vs. "public" spheres blurred
- structural differences: interest group politics (divorced from political party affiliation) much less developed than in northern EU partners

(b) "*democracy*":
- dilemma
- Greeks have a decreasing faith in how policy making operates
- along with Italians, Greeks are the most cynical about whether their political system reflects "democratic" principles

(c) *welfare state:*
- large public sector that owns and operates major utilities (OTE, DEH)
- question of privatization now entering the political agenda
- national health care system (IKA) in place but nearly bankrupt
- national educational system (free university education but recent rise of private institutions of tertiary education); Greek constitution recognizes only national universities; recognition of private universities requires a constitutional change

(d) *security and defense:*
- Greece has a precarious geopolitical position
- Greeks want the EU government to be more aware of and sensitive to Greece's geography, which affects national security; Greeks feel that security should be one of the EU's primary concerns.
- Greece does not have troops participating in the UN peacekeeping forces; NATO member; Greece became a full member of the West European Union in April 1995.

larger question is how to create among EU citizens a mental impression of a *European* consciousness that will not necessarily replace national identification but, if it is to be legitimized, will need to become more than just an additional social identification that is tacked on.

One solution to this problem has been offered by those who wish to further the EU's social integration. It is to create a "common European social space," a concept made concrete by the establishment of a "common citizenship" within the TEU.[5] This common citizenship has come to mean that all citizens of EU nation-states share some rights and freedoms. In more functional terms, EU citizenship has been applied to electoral procedures: in the June 1994 Euro-elections, permanent residents living in a member state of which they were not nationals were permitted for the first time both to vote and to stand as candidates in that member state. The same applies to municipal

elections. The TEU (Title 2, Articles 8c–8e) also specifies that one may be protected by any member state's consuls or diplomatic missions in countries lacking the diplomatic officials of one's own nation-state; that one may petition the European Parliament; that one may apply for the office of ombudsman, etc.

These measures were designed to forge a European identity among citizens of the Union. The ideal of shared legal rights and obligations was meant to help create a "common" social space that is seen by many, especially those with a federalist vision for the EU, as the first step toward a supranational social environment. However, it is still doubtful whether a common citizenship, as defined in the TEU—that is, in limited legal terms—can produce the desired spirit of *acquis communautaire* meant to underlie further EU social cohesion. In addition, there is the additional question of how to create legitimacy for a common European social space that aspires to stretch beyond the mere legal parameters described within the TEU—a necessary development if further social integration is to occur. In other words, it will be more difficult to legitimize a *Gemeinschaft* notion of EU citizenship than a more restricted, contractual idea of EU common rights and obligations.

The TEU also pledges to uphold the principles spelled out in the "Protocol on Social Policy"[6] of the 1989 Social Charter. Great Britain's decision to opt out of the social chapter of the Maastricht Treaty was the first blatant indication that differences of opinion would be found among EU member governments about what should be defined as the so-called "common" social provisions and what will be found acceptable. In reality, the objectives spelled out in the Protocol on Social Policy are imprecise, adding nothing very new to the 1989 Social Charter or to the establishment of a common social space. Nevertheless, they were enough to make John Major's government opt out and Silvio Berlusconi's to reevaluate Italy's participation in the Social Chapter (Smart 1994).

To arouse support for an evolving common European social space seems a formidable task at the moment. Yet an evolving concept of "European" civil society is necessary if the EU is to be perceived as legitimate by its citizens. If a sense of legitimacy is to be obtained for the European social project, a higher level of awareness by EU citizens regarding what this social policy is about, and how it will affect them, is essential. Surveys continue to show that in general there is a very low level of knowledge about EU integration, indeed that "almost three-quarters of EU citizens continue to feel uninformed about the EC" (*Eurobarometer* 1993b). This is particularly true regarding the "social" aspects of integration. If a feeling of legitimacy is to be developed among EU member citizens, a much more concerted effort is needed to create this "common European social space," part of which effort entails

convincing national governments that this is both politically sound and economically feasible.

Democracy

As noted above, the ideal of democracy has been one of the political cornerstones of Western nation-states and remains so today. What is occurring, however, in this time of globalization during the twilight period of the twentieth century, is a renewed examination of components of representative democracy that were once considered incontestable. On the level of the nation-state as well as on the level of the EU, public debate has been emphasizing questions about the degree of satisfaction regarding how well democracy works. Polls and surveys reveal that more people are dissatisfied than are satisfied with democracy in their country. This dissatisfaction is particularly acute among the citizens of Greece and Italy (*Eurobarometer* 1993b:A28). In fact, the "democratic deficit" is a national concern as well as an EU one, albeit in different ways and to varying degrees. But the general cause of dissatisfaction is difficult to ascertain because of the great dissimilarities found among EU member nation-states. Nevertheless, it has been noted that "people living in Mediterranean countries (E,F,GR,I)[7] are more numerous to express dissatisfaction with their own country's democracy, while citizens coming from the smaller member countries of the Community are more numerous to be satisfied with the functioning of EU democracy" (*Eurobarometer* 1993b:10). One wonders, however, whether this helps to explain the different levels of satisfaction with democracy. In Greece, for example, one sees much cynicism concerning whether the political environment reflects democratic principles. Perhaps because of their tumultuous political past, and perhaps because of the patronage system still in operation, as well as numerous other historical, political, and socioeconomic factors, a majority of Greeks (66%) are dissatisfied with the way democracy works in their country. A larger majority of Italians (77%) are similarly dissatisfied (*Eurobarometer* 1944, figure 1.2); they, too, possess a patron-client system still in operation and politicians with ignominious reputations. But to explain the specific causes of such dissatisfaction—and of the resulting level of legitimacy felt among citizens—would necessitate an exploration of each nation-state's political, social, and economic factors that either contribute to or hinder the implementation of democratic principles.

Some studies attribute the transformation of democracy to the rise of transnational systems that have usurped some of the powers traditionally exercised by national governments. As Dahl notes (1994:27), "the proliferation of transnational activities and decisions reduces the

capacity of the citizens of a country to exercise control over matters vitally important to them by means of their national government." This transfer of decision making to a transnational system—the EU—has not been accompanied by democratic procedures that fill in the gaps left behind. In other words, more powers of decision making are being transferred from the national to the EU level without the accompanying degree of democratic procedures that is needed to make this transfer legitimate for the citizens of the EU member nation-states. Policy decisions are made by individuals who act in the name of a united Europe but who are far removed from the citizens of the Union, with the European Parliament being the only democratically accountable institution.

The lack of democratic procedures in policy decision making at the EU level has become more of a concern for those involved in EU integration. Lobbying is now one of the modes of citizen input at the Community level. Since the signing of the 1986 Single European Act, organizations such as environmental groups, financial and business associations, etc. have approached particular EU Commissioners in an attempt to influence the outcome of specific policies. But many lobbyists go to Brussels lacking an adequate understanding of how decision making operates in the EU, and therefore are not very effective. In member states such as Greece, where there are far fewer associations or interest groups on a national level, we witness a dramatic absence of lobbyists; the lack of these types of structures puts a member-state like Greece at a disadvantage insofar as influencing Brussels is concerned. The result is a dearth of information on both sides. Greek citizens do not know how the EU operates and the Commissioners do not know the views of Greek citizens on certain policy issues being formulated on the EU level. Thus the "democratic deficit" operates together with an "information deficit," given that less than half of most EU citizens and less than a third of Greeks feel informed regarding EU activities and how they can influence the policy-making process.

The principle of subsidiarity has been employed as another way to create a sense of legitimacy for the EU in the post-TEU era, while it strives at the same time to diminish the "democratic deficit" by bringing the decision making process closer to the citizens. Although there are various interpretations of what subsidiarity means in practice, in the TEU it is a principle whereby "decisions are taken as closely as possible to the citizen."[8] Elsewhere in the TEU, however, subsidiarity is portrayed as a device for setting limits to Community competencies (Title 1, Article 3b). Accordingly, it has been argued that subsidiarity is treated in the TEU as both a substantive principle and a procedural criterion (see Scott 1994 for a comprehensive discussion). Fundamentally, however,

subsidiarity at the nation-state level requires a devolution of the decision making process from the central administration onto lower echelons of government. In the case of Greece, whose governmental apparatus is extremely centralized, the principle of subsidiarity is difficult to implement. Recent attempts there to develop other tiers of government (i.e., the direct election of prefecture councils in October 1994) and to devolve some decision making powers upon them are welcome, but only if they can escape the clientalist practices that continue to corrupt the central administration. Where there is a higher degree of devolution of power upon lower levels of government, particularly upon regional levels, as is the case in Germany, for example, one may expect the principle of subsidiarity to function more efficiently in bringing decision making closer to the citizen. Reserved optimism may be expressed for the possibility of a member state such as Greece using a principle like subsidiarity to reduce the "democratic deficit," since no precedent of decentralization exists and since interest groups that are independent of the major political parties are frail and remain in their infancy.

Democracy is thus a constituent element in a contemporary discussion of legitimacy. Along with civil society, it is a leading force in establishing the determinants of legitimacy, on both a national level and in the EU.

The welfare state

The rise of the welfare state in the West in the twentieth century has created a lively debate on the connection between this development and the question of legitimacy. One side of the debate focuses on the ideas of Habermas and other German theorists such as Niklas Luhmann (see McCarthy 1978)[9] and Claus Offe (1984). Habermas's examination of the rise of the modern capitalist welfare state leads him to conclude that "threats to legitimacy can be averted only if the state can credibly present itself as a social welfare state which intercepts the dysfunctional side-effects of the economic process and renders them harmless for the individual" (1974:194). His conception of the role of the state in advanced capitalist systems hinges on the premise that the capitalist market creates needs that it cannot feasibly sustain and that this forces the state to step in and remedy the situation, for example by creating policies to protect the natural and social environments. However, the state eventually finds that it must take on more and more responsibilities to avert a crisis; by interfering in this way, it ultimately tampers with the "natural" regulation of the laws of free market capitalism (see Habermas 1973). In other words, the "invisible hand" becomes reified and, worse still, must then be guided. This creates the need for the legitimation of

state activity, since it falls within the scope of the "political." Another side of the debate focuses on the theoretical contributions of two British empiricists, T. H. Marshall (1965) and Richard Titmuss (1974), the former concentrating on social citizenship rights in England, the latter offering a three-model scheme of social policy. Other studies exploring the welfare state have concentrated on industrialization, or the question of equality, or a historical examination of the state—to mention only a few of the areas under investigation. Yet, even though the welfare state is of utmost relevance for a contemporary understanding of legitimacy, it and its relationship with the issue of legitimacy are under-investigated.

Few would deny that Western society's technological advancement and industrial innovation have resulted in unprecedented intellectual achievements, but have also caused insurmountable obstacles for the state. The modern welfare state now needs to face manifold demands ranging, for example, from the need to participate in a global economic environment through the use of fiber optics, to the need to enact environmental measures to avert ecological disaster, to the need to provide adequate housing for those who cannot afford it. At best, the welfare state has become attenuated; some would even argue that it can no longer handle the demands that it faces. Indeed, the innumerable responsibilities and regulations that the welfare state now attempts to juggle have placed heavy strains on the institutional structures within its boundaries.

Yet we have not seen the evolution of any other political order that could replace the welfare state as we have come to understand it. Disputes continue regarding the degree of sovereignty that has been retained or lost by the nation-state in the world of interdependence brought about by globalization. Both those who advocate the nation-state's permanence and those who forecast its demise seek facts to sustain their position. But both sides agree, given the transformations introduced by the present era—transformations affecting the political, social, and economic environments—that the institutions within these environments cannot remain ossified but must change in order to respond to the new needs of a society in flux.

In light of the enormous demands required of welfare states, one would expect that their citizens would acknowledge that certain areas of state responsibility could be best fulfilled through the cooperation of nation-states. Once we recognize that, owing to the economic interdependence created by world markets, the economic environment of the modern nation-state no longer functions autonomously, it would seem to make sense that other areas traditionally controlled by the state could also be best handled through coordination with other states facing similar dilemmas. When asked, however, a great majority of EU member

citizens believe that their national government should retain its responsibility for deciding policies in areas such as health and social welfare, education, cultural policy, and participation of workers' representatives on company boards (*Eurobarometer* 1993b:A53–A54). Citizens are not willing to have these types of welfare issues decided jointly with other EU partners. This is also true for security and defense policies, as will be discussed below.

In contrast, a vast majority of Europeans believe that scientific and technological policy can best be handled jointly on the EU level. They have become convinced that technical solutions are more efficiently found on this level; in addition, this relieves the national governments of a large economic burden. Therefore, policies concerning the protection of the environment, scientific and technological research, the fight against drugs, and even unemployment (although with less enthusiastic support) are perceived by the public as best decided jointly by the EU.

Although one might assume from the above that a clear distinction exists between what the public perceives as a national policy agenda and what it perceives as a European one, actually the matter is complicated by the debate about what should be kept within the public domain and what should be placed within the private sphere. National governments in Europe have been trying to relieve their economic burden by shifting to the private sphere responsibilities—ranging from public health care, to university education, to daycare centers, to pubic utilities—that are no longer affordable. A cost-analysis philosophy has increasingly become the guiding force in determining which public services will continue to be provided and which will be driven into the private sphere. Indeed, we are witnessing a major transposition of the "public" into the "private." As Wallace has aptly noted (1994:94), "By the 1990s it had become much less clear what could be widely agreed as a public good at all, thus making it much harder to run the argument for additional policy roles and functions at the EC level."

This transformation of the welfare state in the twilight of the twentieth century has made it more difficult for national governments to retain a legitimacy that was partially connected to public provisions demanded by citizens and enacted in the post–World War II era. The result is a legitimacy gap between the "governed" and the "governors," the extent of which depends upon the degree to which the state originally took on welfare responsibilities.

Greece is a particularly appropriate example today, as it is presently reshuffling the "public" and "private" domains, whose boundaries, as explained above, cannot always be clearly discerned. The national government has begun to battle against a huge, bloated public sector that is extremely inefficient both economically and in terms of services

provided. This public sector has traditionally owned and operated the major utilities—telephone, electricity, water supply—and has provided what have become standard welfare services: free education at primary, secondary, and tertiary levels, and a national health care system. Recently, the national government has acknowledged the economic reality that it can no longer sustain these responsibilities and that privatization appears to be the only way out. But the idea of privatization of the social space has been met with formidable objections by the portion of the Greek public that has benefited most from this system and has become accustomed to receiving such services from the government. Vociferous protests by trade unions have created immense obstacles for the government, irrespective of the party in power, as both the conservative New Democracy party during its administration and PASOK during its tenure in office have needed to confront tendentious striking workers and demonstrators.

A legitimacy dilemma may be averted so long as face-to-face relations between "private" citizens and "public" officials (not to mention promises of party loyalty in exchange for favors) remain more enduring than public policy proclamations on the mass media; nevertheless, there is evidence that the gap in Greece between the governed and the governors is widening, which does not bode well for the future.

The numerous transmutations occurring within the welfare state are indeed significant both for the welfare state's future form and for the question of legitimacy. The EU's contribution to this debate will depend largely upon the importance the issue is given within the EU and how it is seen to affect the policy making process. A more comprehensive investigation of the welfare state is warranted, if only because the challenges it faces seem increasingly more insurmountable, and because this directly affects the issue of legitimacy.

Security and defense

The final area that I wish to consider as a link to the question of legitimacy is warfare and security, which in turn is tied to the more general category of defense. In this century, with its unprecedented build-up of the nation-state, warfare, security, and defense responsibilities have been placed within the sovereign borders of the nation-state as liabilities of the national government. Weber's definition of the state as "a human community that successfully claims the monopoly of the legitimate use of physical force within a given territory" (Weber 1958:78) reflects the expectations that issues of security and defense will reside solely within the realm of state responsibility and that these issues will be legitimate there.

However, as the ideal of cooperative relations among Western nation-states evolved into modern forms of organization in the post–World War II era, the issues of security and defense began to be perceived in relation to other nation-states. A system of friendly alliances was transformed into organizations such as NATO and the European Coal and Steel Community that had as one of their goals the prevention of any future hostilities among their member nation-states. Today, in this era of rapidly changing geopolitics, the need for cooperation among Western European nation-states appears to be more pressing than ever. The conflicts in the Balkans and the tumultuous changes that continue to occur in Eastern Europe have created uncertainty and fear for those residing in continental Europe, and especially for a nation-state such as Greece, whose geographical proximity to the conflicts makes its position precarious.

Although a joint effort to maintain peace is a goal held in common by all the EU partners, there is less consensus regarding how this goal may best be accomplished. In general, EU member governments and citizens continue to feel that policies concerning security and defense should be formulated at a national level. In the particular case of Greece, 65% of those asked took this position (*Eurobarometer* 1994:A34). The opinions of Greek citizens on this issue are consistent with the more general trend in the EU, where "there has been a significant shift over the past six months [June–December 1993] away from the Union jointly taking decisions on security/defence issues in favour of one's national government solely dealing with them" (*Eurobarometer* 1993b:1). This trend would appear to create obstacles to the legitimation of the "Provisions on a Common Foreign and Security Policy" specified in Title 5 of the TEU, whose goal is the eventual adoption of a common defense policy. To legitimize such a policy at present would require much more purposeful effort by those promoting integration, since most Europeans still believe that unilateral action must be allowed in security issues.

In Greece this insistence on unilateral action is particularly strong, since Greece shares borders with three northern neighbors whose political stability is uncertain and since skirmishes with Turkey continue. Security threats being foremost on the minds of the Greek people, foreign policy issues occupy a prominent place on the Greek national agenda. Greece's worries have been augmented by the conflicts raging in the former Yugoslav republics, by the influx of refugees from Albania, and by the persistent disagreements with the Former Yugoslav Republic of Macedonia (FYROM). Yet Greece continues to participate in organizations such as NATO in which other EU members are found, and is now a full member of the West European Union (WEU), which is meant to be the EU's future defense arm. On the other hand, unlike many of

her EU partners, Greece does not have troops participating in UN peacekeeping missions. Arguably, Greece has been more adversely affected by the demise of communism in the Soviet Union and Eastern Europe than have her EU partners, since communism ironically acted as a stabilizing force in the Balkans. With the collapse of communism came a geopolitical crisis that has resulted in a degree of political instability not seen in the Balkans since the first decades of this century. As a result, Greece has been forced to contend with states whose ethnic diversities were contained under communist rule but then exploded when relieved of these oppressive regimes, dragging Greece back into the Balkans.[10]

The complexity and sensitivity of issues of security and defense will keep them as primarily national competencies. Citizens view these responsibilities as belonging to their national governments. Furthermore, the degree of geopolitical diversity among EU member nation-states will most likely prevent a common security and defense policy from being easily established in the near future. Legitimizing such a common policy would directly challenge the existing concept of state sovereignty, which is conceivably the underlying—and most complicated—issue involved in developing a common policy in this area.

With three additional nation-states having joined the EU in January 1995, and still more in the queue, coordination of policy areas such as security and defense poses an even greater challenge to the EU. If and when nation-states from what was previously called Eastern Europe—the Czech Republic, Poland, Hungary—join as full members, further complications will be added to the already long list of obstacles prohibiting the development of a fully comprehensive defense policy. And if and when such a policy is eventually instituted, the question of its legitimation will be decisive in determining whether it can be successful in securing peace in Europe in the twenty-first century.

Conclusion

To investigate legitimacy and the process of legitimation, one must analyze their underlying impetus. I have outlined four dimensions that appear to be linked with the issue of legitimacy. Civil society and democracy are broad principles integrally connected with both the process of creating legitimacy and the end product itself. Although in different ways, each of these notions can either lend credence to the idea of legitimacy or be responsible for its demise. The welfare state and the area of security and defense are additional variables in the legitimacy equation—forces that can act as a bulwark for legitimacy or cause its entropy. I have tried to make a few observations on the relation of these four dimensions to a particular nation-state, Greece, although that

obviously requires a separate study. I have chosen to relate the concept of legitimacy primarily to the European Union because the EU, as it expands, is beginning to challenge the traditional concepts and categories that have been employed hitherto in order to describe this century's political and social formations. As new political forms such as the EU appear, the social sciences are challenged to try to make sense of them.

In anticipation of the 1996 Intergovernmental Conference (IGC), much debate has centered on the issue of EU legitimacy and how this will affect the ways in which the organs of the EU should be reevaluated. Preparation is already under way for the IGC, and issues are being discussed in committees that are determining the conference's organization and content. What remains to be seen is what will emerge from the conference itself, what changes will be made to the TEU, and how this will affect the EU's sense of legitimacy. Discussions already abound. Diverse opinions are being expressed, ranging from those advocating a radical restructuring of the EU organs and more synchronized integration leading to a federal type system, to those calling for a two-tier EU with a core set of EU member states taking the first steps toward integration and being followed by other members as they catch up, to those claiming that intergovernmentalism should be the guiding ideological force behind a larger EU. It remains to be seen how Greece will contribute to this discussion that appears to be shaping the future of Europe.

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NOTES

[1] See the summer issue of *Current Sociology* 35 (1987), which explores the various interpretations of legitimation that were the focus of the International Conference on Legitimation and Society held in Rome in 1983.

[2] "In general, it should be kept clearly in mind that the basis of every authority, and correspondingly of every kind of willingness to obey, is a *belief*, a belief by virtue of which persons exercising authority are lent prestige. The composition of this belief is seldom altogether simple. In the case of 'legal authority,' it is never purely legal. The belief in legality comes to be established and habitual, and this means it is partly traditional" (Weber 1978:1.263).

[3] It is interesting that among Weber's multifarious writings there is only slight mention of the thorny topic of "democracy."

[4] Discussion of this issue continues. Habermas (1993) analyzes the development of

"bourgeois civil society." Seligman (1992) focuses more on the ethical, philosophical elements underlying the idea of civil society. Other studies—e.g., Gramsci (1971)—concentrate on the dichotomy between civil society and the state. For more contemporary critiques, see Keane (1988a) and Keane (1988b).

[5] *Treaty on European Union*, Title 1, "Common Provisions." See also Title 2, Part 2, "Citizenship of the Union."

[6] See TEU, "Protocol on Social Policy," p. 196, and "Agreement on Social Policy Concluded between the Member States of the European Community with the Exception of the United Kingdom of Great Britain and Northern Ireland," p. 197.

[7] Spain, France, Greece, Italy.

[8] *Treaty on European Union*, Title 1, "Common Provisions," p. 7.

[9] Since little has been translated from the original German, this work explores the specifics of Niklas Luhmann's ideas for the English-speaking audience. See especially "3.5 On the scope and limits of functionalist theory" (pp. 213–232).

[10] See Clogg (1992), especially pp. 204–209, where the author examines the effects of the demise of communism on Greece along with other phenomena of the 1990s affecting Greece.

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